

FY 2016-17: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Summary: Conference Report House Bill 5274 (H-2) CR-1*



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	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	Difference: Conference From FY 2015-16 YTD Amount	%
IDG/IDT	\$13,551,600	\$13,513,700	\$13,663,700	\$13,513,700	\$13,513,700	(\$37,900)	(0.3)
Federal	18,422,113,900	17,730,579,000	17,908,814,900	17,796,663,100	17,880,902,200	(541,211,700)	(2.9)
Local	123,339,800	123,812,700	124,445,800	123,892,300	124,445,800	1,106,000	0.9
Private	156,409,100	156,259,300	154,259,300	156,279,300	154,259,300	(2,149,800)	(1.4)
Restricted	2,217,821,600	2,328,800,000	2,359,233,400	2,342,745,600	2,294,167,500	76,345,900	3.4
GF/GP	4,153,708,200	4,355,003,000	4,312,425,900	4,350,767,400	4,374,548,300	220,840,100	5.3
Gross	\$25,086,944,200	\$24,707,967,700	\$24,872,843,000	\$24,783,861,400	\$24,841,836,800	(\$245,107,400)	(1.0)
FTEs	15,443.0	15,560.5	15,560.5	15,505.5	15,576.5	133.5	0.9

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." 3) Revised Executive amount includes Executive Budget Revision 2017-1 issued on April 4, 2016.

Overview

The Department of Health and Human Services (DHHS) was created through the merger of the Department of Community Health (DCH) and the Department of Human Services (DHS) under Executive Order (EO) 2015-4. The Human Services portion of the DHHS budget includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. The Health Services portion of the DHHS budget provides funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes From FY 2015-16 YTD Appropriations

MEDICAID AND BEHAVIORAL HEALTH - GENERAL

1. Traditional Medicaid Cost Adjustments

Executive increases \$338.7 million Gross (\$170.2 million GF/GP) for traditional Medicaid, MIChild, and Federal Medicare Pharmaceutical Program caseload, utilization, inflation, and financing adjustments. Includes \$47.5 million GF/GP to offset Federal Medical Assistance Percentage (FMAP) decline from 65.60% to 65.15% due to relative growth in state's personal income and \$29.8 million GF/GP reduction based on available federal Title XXI matching funds. Total caseload for traditional Medicaid program is projected at 1.65 million individuals. House revises Executive increase to \$336.0 million Gross (\$154.5 million GF/GP) by reducing children with serious emotional disturbance waiver cost projection \$2.6 million Gross (\$909,600 GF/GP), increasing GF/GP needed to offset declining FMAP \$304,200 GF/GP, and including a technical adjustment increasing federal authorization \$15.0 million in the health plan services line based on available Title XXI, enhanced FMAP for family planning, and Certified Public Expenditures to offset a like amount of GF/GP. Senate concurs with the Executive. Conference provides \$487.6 million Gross (\$195.0 million GF/GP) based on the May caseload consensus agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency, concurring with House serious emotional disturbance waiver cost projections, concurring with House \$304,200 GF/GP increase to offset declining FMAP, and offsetting an additional \$15.0 million GF/GP from available Title XXI matching funds.

	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
Gross	\$13,077,804,300	\$487,619,600
Federal	8,539,476,700	282,763,000
Local	46,712,100	441,400
Private	2,100,000	0
Restricted	1,887,376,600	9,374,900
GF/GP	\$2,602,138,900	\$195,040,300

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
2. Healthy Michigan Plan (HMP) Cost Adjustments		Gross	\$4,120,201,500 (\$460,560,700)
<p><u>Executive</u> includes reduction of \$513.3 million Gross (increase of \$108.6 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Gross reduction is due to both caseload levelling off at roughly 600,000 individuals and adjustments to managed care capitated rates. Beginning January 1, 2017, the federal match rate reduces from 100% to 95%, requiring \$108.6 million GF/GP increase. <u>Executive</u> utilizes \$95.0 million of Hospital QAAP Retainer savings described below to offset bulk of match costs. <u>House</u> revises <u>Executive</u> amount to also include non-GF/GP matching funds needed for HMP special Medicaid reimbursements. <u>Senate</u> concurs with the <u>Executive</u>. <u>Conference</u> reduces HMP \$460.6 million Gross (increases \$110.6 million GF/GP) based on the May caseload consensus agreement and concurring with House non-GF/GP matching fund adjustment for special Medicaid reimbursements.</p>	Federal	4,120,201,500	(597,416,000)
	Local	0	633,100
	Restricted	0	25,668,300
	GF/GP	\$0	\$110,553,900
3. Actuarial Soundness Adjustments		Gross	\$11,516,242,900 (\$18,911,600)
<p><u>Executive</u> includes a net reduction of \$18.9 million Gross (\$4.6 million GF/GP) to provide \$54.8 million Gross (\$19.1 million GF/GP) for a 1.5% Medicaid health plans actuarial soundness adjustment, \$34.2 million Gross (\$11.9 million GF/GP) for a 1.5% Prepaid Inpatient Health Plans actuarial soundness adjustment, \$29.2 million Gross (\$1.1 million GF/GP) for a 2.0% Healthy Michigan Plan actuarial soundness adjustment, and a reduction of \$137.2 million Gross (\$36.7 million GF/GP) based on a one-year moratorium on the ACA health insurer fee beginning January 1, 2017. <u>House</u> reduces an additional \$446,000 GF/GP and increases a like amount of federal funds based on revised fund sourcing for the ACA insurer fee. <u>Senate</u> concurs with the <u>Executive</u>. <u>Conference</u> concurs with the <u>House</u>.</p>	Federal	9,031,879,700	(13,882,200)
	Local	39,846,400	0
	Restricted	1,189,849,500	0
	GF/GP	\$1,254,667,300	(\$5,029,400)
4. Medicaid Managed Care Use Tax and Health Insurance Claims Assessment Adjustments		Gross	NA (\$479,536,600)
<p><u>Executive</u> reduces \$612.9 million Gross (\$198.6 million GF/GP) to reflect (1) discontinuation of Use Tax on Medicaid Managed Care Organizations (MCOs) and associated actuarial soundness payments of \$612.9 million Gross (\$140.4 million GF/GP) to MCOs on January 1, 2017 and (2) offset of \$58.2 million in GF/GP funds with restricted Health Insurance Claims Assessment (HICA) revenue from associated automatic increase in HICA from 0.75% to 1.0% on January 1, 2017. <u>House</u> reduces \$466.1 million Gross (\$181.5 million GF/GP) based on (1) updated MCO Use Tax projections and fund sourcing of \$466.1 million Gross (\$123.3 million GF/GP) and (2) concurs with HICA revenue projection. <u>Senate</u> concurs with the <u>Executive</u>. <u>Conference</u> reduces \$479.5 million Gross (\$165.0 million GF/GP) based on (1) updated MCO Use Tax projections and fund sourcing of \$479.5 million Gross (\$125.5 million GF/GP) and (2) a net HICA revenue increase of \$39.4 million. HICA revenue is revised down \$18.7 million from the <u>Executive</u> projection from an increase in the projected 2017 HICA credit, which is attributed to an increase in projected net GF/GP revenue from the 2016 MCO Use Tax used to calculate the 2017 HICA credit.</p>	Federal	NA	(353,994,500)
	Restricted	NA	39,441,300
	GF/GP	NA	(\$164,983,400)
DEPARTMENTWIDE ADMINISTRATION			
5. DHHS Merger Line Item Changes, and Savings		Gross	NA (\$100,000)
<p><u>Executive</u> includes numerous appropriation line item adjustments related to the 2015 merger creating DHHS, including consolidation of line items and appropriation units reflecting reorganization of programs and agencies, with no net impact on department appropriations; includes \$100,000 GF/GP unrelated reduction for Departmentwide savings. <u>House</u> concurs with most line item changes, and increases the reduction to \$3.0 million GF/GP as savings related to the merger. <u>Senate</u> concurs with most line item changes, and with the \$100,000 GF/GP reduction. <u>Conference</u> concurs with the <u>Executive</u> except rejects a small number of line item rollups.</p>	GF/GP	NA	(\$100,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
6. Information Technology – Child Welfare Information System (MiSACWIS)			
<p><u>Executive</u> includes an increase of 50 FTEs and \$22.3 million Gross (\$7.7 million GF/GP), including \$10.8 million ongoing and \$11.5 million one-time funds, to continue implementation of improvements to the Michigan Statewide Automated Child Welfare Information System, to comply with new federal regulations and the Modified Settlement Agreement with Children's Rights, Inc., for improved monitoring of child protective services, and foster care and adoption cases. Year-to-date amount shown is for the Information Technology Projects and Services line item (although increase is provided in Departmentwide Administration line item). <u>House</u> provides \$17.4 million Gross (\$6.3 million GF/GP) for MiSACWIS improvements: \$8.8 million ongoing, and \$8.6 million one-time funds. <u>Senate</u> provides \$9.8 million Gross (\$1.0 million GF/GP) for MiSACWIS improvements: \$4.0 million ongoing, and \$5.8 million one-time funds. <u>Conference</u> includes total funding increase of \$19.5 million Gross (\$11.5 million GF/GP) and an increase of 23 FTEs; \$8.0 million as ongoing and \$11.5 million as one-time.</p>	FTE	0.0	23.0
	Gross	\$151,516,300	\$19,528,400
	IDG	1,067,000	0
	TANF	12,087,200	0
	Federal	82,664,900	8,012,200
	Restricted GF/GP	1,985,800 \$53,711,400	0 \$11,516,200
7. Information Technology – Software Support, Service Model, and MMIS Analytics			
<p><u>Executive</u> increases funding by \$7.2 million Gross (\$2.5 million GF/GP) for costs to support information technology and Medicaid Management Information systems (MMIS) including encryption and security software, Medicaid fraud detection software, and transition to the new DTMB financial model for the provision of information technology services across all departments. Year-to-date amount shown includes the Information Technology Projects and Services line item and the MMIS line item. <u>House</u> concurs with the Executive, and also includes \$100 GF/GP placeholder and Sec. 293 boilerplate for pilot analytics platform for Medicaid claims. <u>Senate</u> funds the 3 increases at \$100 GF/GP each. <u>Conference</u> concurs with the Executive, and includes Sec 293 boilerplate to explore the analytics platform.</p>	Gross	\$201,717,400	\$7,198,300
	IDG	1,067,000	0
	TANF	12,087,200	0
	Federal	105,285,900	4,656,000
	Private	20,000,000	0
	Restricted GF/GP	1,985,800 \$61,291,500	0 \$2,542,300
8. Economic Adjustments			
<p><u>Executive</u> reflects increased costs of \$42.8 million Gross (\$17.1 million GF/GP) for the following economics adjustments for employees and other: negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially determined retirement rate increases, and increases for worker's compensation, building occupancy, and food for state hospitals, centers, and juvenile justice facilities. Economics adjustments are also included for administrative hearings system and information technology charges. <u>House</u> concurs and includes adjustments to support Executive Budget Revision 2017-1, with some modifications to fund sourcing, including removal or increases from capped federal sources. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive Budget Revision 2017-1.</p>	Gross	NA	\$42,842,000
	IDG	NA	231,000
	TANF	NA	4,951,700
	Federal	NA	14,608,200
	Local	NA	658,800
	Private	NA	232,100
	Restricted	NA	835,900
	GF/GP	NA	\$21,324,300
9. Discontinue 2010 Early Out Payouts			
<p><u>Executive</u> recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; total reduction taken is \$6.4 million Gross (\$2.5 million GF/GP). <u>House</u>, <u>Senate</u>, and <u>Conference</u> concur with the Executive.</p>	Gross	\$6,363,600	(\$6,363,600)
	IDG	200	(200)
	TANF	995,400	(995,400)
	Federal	2,773,900	(2,773,900)
	Restricted	53,700	(53,700)
	GF/GP	\$2,540,400	(\$2,540,400)
10. Michigan 2-1-1			
<p><u>House</u> provides \$950,000 GF/GP funding increase for Michigan 2-1-1 system including \$450,000 ongoing, and \$500,000 one-time for additional support during emergency and disaster events. (Michigan 2-1-1 YTD funding shown). <u>Senate</u> provides \$100 placeholder for increased funding. <u>Conference</u> provides \$750,000 GF/GP funding increase including \$450,000 ongoing, and \$300,000 one-time funding.</p>	Gross	\$500,000	\$750,000
	GF/GP	\$500,000	\$750,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change	
PUBLIC ASSISTANCE				
11. Food Assistance Program (FAP) Caseload Adjustment		Gross	\$2,419,025,900	(\$70,908,500)
<u>Executive</u> increases FAP caseload costs by \$13.8 million Gross (\$0 GF/GP) for FY 2016-17, in addition to a proposed supplemental caseload cost reduction for FY 2015-16 of \$84.7 million Gross (\$0 GF/GP), for a total reduction of \$70.9 million Gross (\$0 GF/GP) compared to the original enacted FY 2015-16 budget. Funding supports 795,400 cases at an average cost of \$246.01 per month; FAP caseload in December 2015 was 786,725. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		Federal	2,419,025,900	(70,908,500)
		GF/GP	\$0	\$0
12. Additional Public Assistance Caseload Adjustments		Gross	\$190,205,100	(\$22,112,900)
<u>Executive</u> decreases funding for other public assistance programs by \$5.4 million Gross (\$2.5 million GF/GP) as follows:		TANF	42,731,900	(12,636,800)
<ul style="list-style-type: none">Family Independence Program (FIP) is reduced \$3.9 million Gross (\$953,600 GF/GP) adjusting the monthly caseload estimate from 25,473 cases at \$362.93 per month to 25,800 cases at \$365.61 per month.State Disability Assistance (SDA) is reduced by \$1.7 million GF/GP adjusting the monthly caseload estimate from 5,566 cases at \$209.88 per month to 4,900 cases at \$210.10 per month.State Supplementation is increased by \$163,300 GF/GP adjusting the monthly caseload estimate from 276,585 cases at \$19.04 per month to 277,300 cases at the same monthly rate.		Restricted	48,029,600	(1,819,200)
<u>House</u> and <u>Senate</u> concur with Executive.		GF/GP	\$99,443,600	(\$7,656,900)
<u>Conference</u> reduces Executive caseload projection \$16.7 million Gross (\$5.2 million GF/GP) for a total reduction of \$22.1 million Gross (\$7.7 million GF/GP) based on the May caseload consensus agreement.				
13. Family Independence Program (FIP) Clothing Allowance Increase		Gross	\$2,880,000	\$3,390,000
<u>Executive</u> includes additional \$6.1 million federal Temporary Assistance to Needy Families (TANF) funding to expand the clothing allowance for FIP recipients to all school-age children receiving benefits instead of current policy that only children in "child-only" eligibility groups (adult caretakers not eligible for benefits) receive the allowance. Program is currently appropriated \$2.9 million TANF funding; annual benefit would be increased from \$140 per child to \$200; adjusts boilerplate language (Sec. 669). <u>House</u> includes \$4.8 million additional TANF to expand program to all eligible FIP children and increase benefit to \$170. <u>Senate</u> and <u>Conference</u> increase program funding by \$3.4 million TANF and expand allowance to all eligible children at the current-year level of \$140.		TANF	2,880,000	3,390,000
		GF/GP	\$0	\$0
14. Multicultural Integration Funding		Gross	\$11,858,300	\$1,445,500
<u>Executive</u> increases funding by \$1.5 million GF/GP to various multicultural organizations that provide social services programs to specific populations. Organizations receiving additional funding include: Arab Community Center for Economic and Social Services (ACCESS), Arab Chaldean Council (ACC), the Jewish Federation, and the Chaldean Community Foundation (CCF). Section 295 is related boilerplate. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		TANF	421,000	0
		Federal	694,500	0
		GF/GP	\$10,742,800	\$1,455,500
15. Maximize FAP Payments Through Heat and Eat Program		Gross	NA	\$0
<u>House</u> includes \$141.3 million Gross (\$3.2 million GF/GP) to support participation in the Heat and Eat program. The LIHEAP line item is increased by \$3.2 million GF/GP to make \$21 energy assistance payments to an estimated 150,046 FAP cases to give them the Standard Utility Allowance making them eligible for additional FAP benefits. The FAP line item is increased by \$138.2 million federal funding to recognize the additional FAP benefits that would be received (estimated as an average monthly increase of \$76.73); includes boilerplate language to allocate the \$3.2 million federal funding for \$21 payments to certain FAP recipients (Sec. 656). <u>Senate</u> and <u>Conference</u> do not include funding.		Federal	NA	0
		GF/GP	NA	\$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
16. Child Welfare Caseload Adjustments	Gross	\$621,109,300	(\$4,991,300)
<u>Executive</u> increases funding for child welfare programs by \$3.4 million Gross (\$1.8 million GF/GP) as follows:	TANF	163,523,100	(3,578,800)
<ul style="list-style-type: none"> Foster care payments are increased by \$1.0 million Gross (reduction of \$8.7 million GF/GP) from 6,175 cases at \$27,877 per year to 5,950 cases at \$29,400 per year. Adoption subsidies are reduced \$6.0 million Gross (increase of \$723,300 GF/GP) from 25,064 cases at \$745.00 per month to 24,740 cases at \$734.64 per month. The Child Care Fund is increased \$6.3 million GF/GP. Guardianship assistance payments are increased by \$2.7 million Gross (\$3.5 million GF/GP) from 900 cases at \$825.94 per month to 1,280 cases at \$779.07 per month. Family Support Subsidies are reduced by \$682,200 Gross (\$0 GF/GP) from 6,616 cases at \$222.11 per month to 6,369 cases at the same monthly rate. 	Federal	191,130,500	231,600
	Private	2,805,900	(381,900)
	Local	14,194,000	0
	GF/GP	\$249,455,800	(\$1,262,200)
House and Senate concur with Executive.			
<u>Conference</u> decreases Executive caseload projection \$8.4 million Gross (\$3.1 million GF/GP) for a total reduction of \$5.0 million Gross (\$1.3 million GF/GP) based on the May caseload consensus agreement.			
17. Foster Care Residential and Administrative Rates – Eliminate County Hold-Harmless Provision	Gross	NA	\$7,500,000
<u>Executive</u> reduces funding by \$6.1 million Gross (\$5.2 million GF/GP) by rescinding the county hold-harmless provision that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013; also requires counties to pay 50% of the entire private residential rate and private agency administrative rate. <u>House</u> does not reduce funding and retains county hold-harmless policy for private foster care rates; includes \$100 placeholder for private administration rates. <u>Senate</u> does not reduce funding, retains county hold-harmless policy, and includes additional \$7.5 million GF/GP for private administration rates. <u>Conference</u> concurs with the Senate and revises fund sourcing to \$7.5 million Gross (\$5.6 million GF/GP).	Federal	NA	1,945,000
	GF/GP	NA	\$5,555,000
18. County Prosecuting Attorney Contracts	Gross	\$2,561,700	\$500,000
<u>Executive</u> provides additional \$500,000 federal funding to recognize the increase in contracts with county Prosecuting Attorneys for legal services concerning child welfare cases. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	2,561,700	500,000
	GF/GP	\$0	\$0
19. Child Care Fund – Federal TANF and GF/GP Fund Source Shift	Gross	NA	\$0
<u>Executive</u> includes fund source shift of TANF and GF/GP funding in the Child Care Fund line item by replacing \$43.0 million TANF funding with \$43.0 million GF/GP. The GF/GP funding is available by replacing GF/GP in two line items with TANF in the following amounts: the Child Welfare Field Staff line item (\$28.8 million) and the Family Independence Program line item (\$15.0 million). Federal policy mandates that in-home care expenditures for youth in juvenile justice programs may no longer be funded with TANF or TANF MOE funding. The funding shift is net neutral to DHHS. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	TANF	NA	0
	GF/GP	NA	\$0
20. Family Preservation Programs	FTE	23.0	1.0
<u>Executive</u> includes 1.0 FTE position and an additional \$10.0 million federal TANF grant funds as one-time funding to expand the Parent Partner Program and the Family Reunification Program to additional counties over 3 years; includes boilerplate language (Sec. 1909). <u>House</u> includes 1.0 FTE position and \$3.4 million TANF to fund the expansion for one year; <u>Senate</u> includes 1.0 FTE and \$3.1 million TANF; <u>Conference</u> includes 1.0 FTE and \$6.1 million. The \$3.9 million in TANF reductions from the Executive Recommendation are used to offset GF/GP elsewhere in the budget.	Gross	\$38,857,500	\$6,098,200
	TANF	38,274,300	6,098,200
	Federal	583,200	0
	GF/GP	\$0	\$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change	
21. Adoption Family Support Network Parent-to-Parent Program		Gross	\$350,000	(\$100,000)
<u>Executive</u> eliminates the \$350,000 GF/GP funding for the Parent-to-Parent program which provides parent mentoring to adoptive parents; eliminates boilerplate language (Sec. 559). <u>House</u> concurs with <u>Executive</u> ; <u>Senate</u> retains current-year funding; <u>Conference</u> reduces funding by \$100,000.		GF/GP	\$350,000	(\$100,000)
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE				
22. In-Home Community Care Grants for Rural Counties		Gross	\$400,000	(\$400,000)
<u>Executive</u> eliminates the \$400,000 GF/GP funding for In-Home Community Care Grants which provides new grants for the expansion of in-home community-based programs for juvenile justice services in rural counties; eliminates boilerplate language (Sec. 587). <u>House</u> concurs with <u>Executive</u> ; <u>Senate</u> includes current-year funding; <u>Conference</u> concurs with <u>Executive</u> .		GF/GP	\$400,000	(\$400,000)
23. Program Reductions		Gross	NA	(\$2,500,000)
<u>House</u> reduces \$750,000 GF/GP funding for Fostering Futures Scholarship Grants, \$500,000 GF/GP funding for Emergency Services Local Office Allocations, and \$250,000 TANF for FIP Suspicion-Based Drug Testing Pilot. <u>Senate</u> reduces Child Care Fund by \$1.0 million GF/GP from anticipated savings based on the findings of an upcoming Auditor General audit and the Maxey facility by \$250,000 GF/GP.		TANF	NA	0
<u>Conference</u> reduces Child Care Fund by \$2.0 million GF/GP and the Maxey facility by \$500,000 GF/GP.		GF/GP	NA	(\$2,500,000)
24. Program Increases		Gross	NA	\$1,405,000
<u>House</u> includes \$875,000 GF/GP funding to increase various programs including: SSI Advocacy Legal Services (\$500,000), Food Bank Funding (\$250,000), Indigent Burial Program (\$75,000), and AgrAbility within Michigan Rehabilitation Services (\$50,000); also includes \$100 GF/GP placeholder for Pathways to Potential program and \$100 GF/GP for Sexual Assault Comprehensive Services Program grants.		GF/GP	NA	\$1,405,000
<u>Senate</u> includes \$2.5 million GF/GP funding to increase SSI Advocacy Legal Services (\$500,000), Mass Agriculture Surplus System (MASS) through food banks (\$700,000), Muskegon Covenant Academy (\$280,000), JJ Vision 20/20 Program (\$1.0 million), and AgrAbility (\$50,000).				
<u>Conference</u> includes \$1.4 million GF/GP funding to increase SSI Advocacy Legal Services (\$500,000), food banks (\$250,000), Indigent Burial Program (\$75,000), Muskegon Covenant Academy (\$280,000), Hope Network (\$250,000), and AgrAbility (\$50,000).				
25. Capped Federal Revenues Fund Source		Gross	NA	\$0
<u>Executive</u> rolls the "Capped Federal Revenues" fund source into the general "Total Federal Revenues" fund source. <u>House</u> , <u>Senate</u> , and <u>Conference</u> retain "Capped Federal Revenues" as a separate fund source.		Federal	NA	0
		GF/GP	NA	\$0
BEHAVIORAL HEALTH				
26. Mental Health and Wellness Commission		Gross	\$22,362,500	(\$5,512,500)
<u>Senate</u> and <u>Conference</u> reduce ongoing funding for Mental Health and Wellness Commission recommendations \$5.5 million Gross (\$1.9 million GF/GP).		Federal	12,573,500	(3,648,500)
		GF/GP	\$9,789,000	(\$1,864,000)
27. Community Mental Health Non-Medicaid Services		Gross	\$117,050,400	\$3,000,000
<u>House</u> provides \$1.8 million GF/GP to support a 1.5% inflationary increase in non-Medicaid mental health services provided through Community Mental Health Services Programs (CMHSPs). <u>Senate</u> retains current year funding. <u>Conference</u> provides a \$3.0 million GF/GP increase and includes Sec. 941 directing that these funds support costs related to Medicaid spenddown beneficiaries.		GF/GP	\$117,050,400	\$3,000,000
28. University Autism Programs		Gross	\$2,500,000	(\$1,500,000)
<u>House</u> reduces \$1.5 million GF/GP allocated for University Autism programs. University Autism program funding was moved from the One-Time Basis Unit in FY 2015-16. <u>Senate</u> retains current year funding. <u>Conference</u> concurs with the House.		GF/GP	\$2,500,000	(\$1,500,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
29. New Unit at Center for Forensic Psychiatry			
<u>Executive</u> adds \$7.6 million GF/GP to fund additional unit to serve 30 patients. Center provides psychiatric treatment to criminal defendants ruled incompetent to stand trial and/or acquitted by reason of insanity. Adds new boilerplate Sec. 1059 that identifies outcomes and performance measures: average wait times for persons ruled incompetent to stand trial and number of persons waiting to receive services. <u>House</u> concurs with the Executive. <u>Senate</u> provides funding for a half year. <u>Conference</u> concurs with the Executive and House.			
	FTE	556.3	51.0
	Gross	\$72,538,000	\$7,607,000
	Federal	11,900	0
	Local	5,085,700	0
	Restricted	877,600	0
	GF/GP	\$66,562,800	\$7,607,000
30. Autism Navigator			
<u>Executive</u> includes \$1.1 million GF/GP in one-time funding for an assessment of the statewide rollout of the Medicaid Autism benefit and assistance to families of autistic children in finding services. Previously funded with \$1.5 million in one-time restricted funding for FY 2014-15. <u>House</u> concurs with the Executive. <u>Senate</u> provides \$100 placeholder. <u>Conference</u> provides \$565,000 GF/GP.			
	Gross	\$0	\$565,000
	GF/GP	\$0	\$565,000
31. Western Michigan University Opiate Prevention Pilot			
<u>House</u> provides \$850,000 GF/GP, on a one-time basis, for Homer Stryker MD School of Medicine to identify relevant biomarkers that predict the risk of opioid abuse and overdose by analyzing archived blood samples from overdose cases. Also includes boilerplate Sec. 1911 allocating the funds and describing the pilot program. <u>Senate</u> and <u>Conference</u> do not include.			
	Gross	\$0	\$0
	GF/GP	\$0	\$0
PUBLIC HEALTH			
32. Flint Declaration of Emergency			
<u>Executive</u> provides \$15.1 million Gross (\$9.1 million GF/GP) in funding for evaluation and assistance to residents exposed to lead in the City of Flint, as one-time funding. This is a net reduction from the current Year-to-Date which includes two supplemental appropriations for Flint. FY 2016-17 funds are anticipated to be for partial year only. Services supported include food inspection of restaurants and public venues, nutritional services through existing programs, health services at child and adolescent health centers and schools, community mental health evaluation and care for children with elevated blood levels, and lead investigations and abatement planning for homes. Additional funding may be available for transfer from a \$50.0 million Flint Emergency Reserve Fund in the DTMB budget, as well as a \$6.1 million set aside in the DHHS budget, both proposed in a FY 2015-16 supplemental. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.			
	Gross	\$17,307,000	(\$2,168,900)
	TANF	0	3,520,000
	Federal	2,845,000	(795,000)
	Restricted	3,552,000	(3,078,100)
	GF/GP	\$10,910,000	(\$1,815,800)
33. Public Health – Federal Grant Adjustments			
<u>Executive</u> recognizes \$1.2 million of increased public health federal funds including a new adult immunization program grant of \$517,400, stroke registry grant increase of \$390,000, and use of violence prevention grant carryforward funding of \$290,700 for suicide prevention and violent death reporting. <u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive, and also reduces authorization for the federal State Innovation Model (SIM) grant to \$100 from \$25.0 million. <u>Conference</u> concurs with the Executive, and also reduces SIM grant authorization from \$25 to \$10 million.			
	Gross	NA	(\$13,801,900)
	Federal	NA	(13,801,900)
	GF/GP	NA	\$0
34. Public Health – Immunization and Other Reductions			
<u>House</u> makes the following reductions: reduces health innovations grants by \$500,000 GF/GP, eliminates \$250,000 for bone marrow transplant registry, and eliminates value of vaccines education matching program (\$2.5 million Gross, \$500,000 GF/GP) and related boilerplate. <u>Senate</u> makes no changes to these program appropriations. <u>Conference</u> reduces health innovations grants by \$500,000, and also eliminates the value of vaccines education matching program and related Sec. 1182, and transfers the \$500,000 GF/GP immunization funding to Medicaid health plan services line item for immunization education activities, and anticipated federal Medicaid matching funds. Sec. 1782 is related new boilerplate. Proposed FY 2015-16 supplemental includes a work project of the immunization GF/GP funding into FY 2016-17, and federal match is included in this bill.			
	Gross	NA	(\$1,500,000)
	Federal	NA	1,000,000
	Private	NA	(2,000,000)
	GF/GP	NA	(\$500,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
35. Zika Virus Public Health Education		Gross	\$0
<u>House</u> includes \$150,000 of IDG funding from the Department of Natural Resources for Zika virus education and outreach, prevention, detection, monitoring, screening and testing as recommended by the Centers for Disease Control and Prevention; includes related Sec. 1183 boilerplate. <u>Senate</u> does not include. <u>Conference</u> does not concur; IDG funding not included in DNR budget.		IDG	0
		GF/GP	\$0
36. Public Health Dental Clinics		Gross	\$0
<u>Senate</u> includes \$100 placeholder for dental clinics and related Sec. 1895 boilerplate. <u>House</u> does not include. <u>Conference</u> includes \$1.55 million GF/GP for local health departments partnering with nonprofit dental providers for dental services for seniors, children, low-income uninsured, and adults enrolled in Medicaid, and related Sec. 1229 boilerplate.		GF/GP	\$0
			\$1,550,000
37. Rural Home Visit Program		Gross	\$1,700,000
<u>House</u> and <u>Senate</u> restore \$550,000 GF/GP for prenatal and early childhood home visiting program in the Upper Peninsula and rural areas of the northern Lower Peninsula, for total funding of \$2.25 million. FY 2015-16 appropriation was reduced when unspent funds from the prior fiscal year were made available as a work project. <u>Conference</u> concurs.		GF/GP	\$1,700,000
			\$550,000
38. Alternative Pregnancy and Parenting Support Program		Gross	\$50,000
<u>House</u> and <u>Senate</u> increase alternative pregnancy and parenting support program from \$50,000 GF/GP to \$400,000 federal TANF grant funds. The <u>Conference</u> concurs, but does not include work project language in related Sec. 1307 as included by the House.		TANF	0
		GF/GP	\$50,000
			\$350,000
			400,000
			(\$50,000)
CRIME VICTIM SERVICES			
39. Crime Victim Assistance Services		Gross	\$33,999,800
<u>Executive</u> adds \$44.3 million to reflect increased federal grant award for crime victim justice assistance services including training and technical assistance for service providers, and direct services to crime victims. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. Year-to-date amount shown is all funding for Crime Victim Services Commission. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.		Federal	18,697,500
		Restricted	15,302,300
		GF/GP	\$0
			\$44,279,300
			44,279,300
			0
			\$0
AGING AND ADULT SERVICES AGENCY			
40. Implement Planned PACE Program Expansion		Gross	\$65,938,500
<u>Executive</u> increases the Program of All-Inclusive Care for the Elderly (PACE) line item by \$26.6 million Gross (\$9.3 million GF/GP) to fund additional slots at current PACE sites, and new slots to implement PACE expansion into Jackson County and Traverse City for qualified Medicaid recipients. Savings from the PACE expansion are assumed in the same amount from the Long Term Care Services line item for a net \$0 DHHS budget adjustment. Also transfers the PACE line item back to the Medical Services unit; PACE was transferred to Aging and Adult Services Agency in FY 2015-16 budget as part of the Department merger. <u>House</u> concurs and makes a technical correction. <u>Senate</u> concurs with the Executive. <u>Conference</u> concur with the House.		Federal	43,254,000
		GF/GP	\$22,684,500
			\$26,585,900
			17,320,700
			\$9,265,200
41. Senior Community and Nutrition Services		Gross	\$39,013,900
<u>House</u> provides a 5% increase in GF/GP funds supporting community services for seniors, totaling \$836,700. <u>Senate</u> provides an increase of \$5.0 million GF/GP for senior meals and nutrition services. <u>Conference</u> includes an increase of \$2.5 million GF/GP for senior community services. YTD funding shown is for senior community services line item.		Federal	22,280,400
		GF/GP	\$16,733,500
			\$2,500,000
			0
			\$2,500,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
MEDICAL SERVICES			
	FTE	36.0	0.0
42. Healthy Michigan Plan Administration	Gross	\$68,878,600	(\$9,109,900)
<u>House</u> removes \$19.5 million Gross (\$5.6 million GF/GP) for the Healthy Michigan Plan call center, leaving a \$100 placeholder, and reduces Healthy Michigan Plan marketing and advertising \$1.0 million Gross (\$500,000 GF/GP). \$4.2 million in TANF allocated for the call center are used to offset GF/GP elsewhere in the DHHS budget. <u>Senate</u> retains current year funding. <u>Conference</u> reduces \$8.1 million Gross (\$1.6 million GF/GP). \$3.4 million in TANF reductions are used to offset GF/GP elsewhere in the budget for a total GF/GP savings of \$5.0 million and concurs with House reduction to Healthy Michigan Plan marketing and advertising.	Federal	46,246,000	(3,609,900)
	TANF	4,180,000	(3,430,400)
	GF/GP	\$18,452,600	(\$2,069,600)
43. Integrated Service Delivery	FTE	NA	15.0
<u>Executive</u> adds \$49.2 million Gross (\$1.2 million GF/GP) for information technology costs to update and streamline the electronic application and enrollment process for services through DHHS. Ongoing funding is \$12.3 million Gross (\$1.2 million GF/GP) and one-time funding is \$36.9 million federal (including \$3.7 million in TANF funds). Executive also includes boilerplate Sec. 1506 describing the initiative and outlining outcomes and performance measures. <u>House</u> provides \$24.6 million Gross (\$615,400 GF/GP). \$923,100 TANF in the Executive request are used to offset GF/GP elsewhere in the DHHS budget. House also rennumbers boilerplate section to 1507. <u>Senate</u> provides \$36.9 million Gross (\$0 GF/GP) on a one-time basis. <u>Conference</u> provides \$43.2 million Gross (\$4.3 million GF/GP) and rennumbers and revises boilerplate section to 1507. TANF cannot be used to draw down other federal revenues, so \$3.7 million in TANF added by Executive is redirected elsewhere in the budget and offset GF/GP is appropriated here instead.	Gross	NA	\$43,230,500
	Federal	NA	38,907,500
	TANF	NA	0
	GF/GP	NA	\$4,323,000
44. Hospital QAAP Retainer	Gross	\$0	\$0
<u>Executive</u> replaces one-time increase in GF/GP retainer savings from hospital Quality Assurance Assessment Program (QAAP) of \$92.9 million with ongoing retainer amount of \$105.0 million tied to Healthy Michigan Plan special hospital payments, for a net GF/GP savings of \$12.1 million. These adjustments require statute change. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Restricted	92,856,100	12,143,900
	GF/GP	(\$92,856,100)	(\$12,143,900)
45. Special Hospital Payments – Healthy Michigan Plan (HMP)	Gross	\$638,056,100	(\$28,495,100)
<u>Executive</u> removes \$92.9 million Healthy Michigan Plan Hospital Rate Adjustment, which was provided to keep hospitals held harmless on the whole from the one-time Hospital QAAP retainer increase. <u>House</u> revises Healthy Michigan Plan Hospital Rate Adjustment from \$320.1 million to \$375.0 million and Medicaid Access to Care Initiative from \$318.0 million to \$234.5 million based on DHHS's projected payment levels. Matching funds for HMP special Medicaid reimbursements are required beginning January 1, 2017 (see item #2 for base HMP fund sourcing adjustment). <u>Senate</u> increases HMP Hospital Rate Adjustment \$12.1 million. <u>Conference</u> concurs with the House.	Federal	638,056,100	(27,426,600)
	Restricted	0	(1,068,500)
	GF/GP	\$0	\$0
46. Special Hospital Payments	Gross	\$208,799,300	\$0
<u>Executive</u> maintains payments at FY 2015-16 levels: \$162.9 million Gross (\$56.0 million GF/GP) for Graduate Medical Education, \$34.9 million Gross (\$12.0 million GF/GP) for Special Rural Hospitals, and \$11.0 million Gross (\$3.8 million GF/GP) for OB/GYN Hospital Lump Sum. <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> transfers \$25.0 million Gross for graduate medical education from traditional Medicaid financing to Healthy Michigan Plan financing, creating \$7.8 million GF/GP savings.	Federal	136,972,300	7,800,000
	GF/GP	\$71,827,000	(\$7,800,000)
47. Primary Care Rate Increase	Gross	NA	\$0
<u>Senate</u> provides \$21.3 million Gross (\$7.4 million GF/GP) for a 6% primary care rate increase. <u>Conference</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
48. Specialty Drugs – Hepatitis C and Cystic Fibrosis	Gross	\$199,449,700	\$105,049,900
<u>Executive</u> adds \$194.6 million Gross (\$69.7 million GF/GP) to annualize costs for specialty drugs added to the Medicaid formulary in 2016 to treat Hepatitis C and Cystic Fibrosis. Total FY 2016-17 costs, including half-year costs added through FY 2015-16 legislative transfer, are \$394.1 million Gross (\$135.2 million GF/GP). Of total, \$327.8 million Gross (\$91.5 million GF/GP) is for estimated Hepatitis C treatment costs and \$66.3 million Gross (\$43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs; majority of Cystic Fibrosis treatment will be through Children Special Health Care Services. <u>House</u> provides \$112.7 million Gross (\$46.8 million GF/GP) to support a projected 5,250 persons receiving Hepatitis C treatments (revising the estimated full year cost to \$245.9 million Gross (\$68.6 million GF/GP)) and to concur with the Executive's Cystic Fibrosis treatment costs. <u>Senate</u> concurs with the Executive. <u>Conference</u> provides \$105.0 million Gross (\$44.7 million GF/GP). Total FY 2016-17 costs are \$238.2 million Gross (\$66.5 million GF/GP) for estimated Hepatitis C treatment costs and \$66.3 million Gross (\$43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs.	Federal	133,934,900	60,385,900
	GF/GP	\$65,514,800	\$44,664,000
49. Specialty Drugs – Reserve Fund	Gross	\$0	\$0
<u>Executive</u> creates one-time reserve fund of \$86.1 million Gross (\$30.0 million GF/GP) for potential costs associated with release of other new specialty drugs in FY 2016-17. <u>House</u> provides \$43.0 million Gross (\$15.0 million GF/GP). <u>Senate</u> provides \$57.4 million Gross (\$20.0 million GF/GP). <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
50. Private Duty Nursing Rate Increase	Gross	NA	\$4,949,900
<u>House</u> includes \$3.3 million Gross (\$1.2 million GF/GP) to provide a 10% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. <u>House</u> also includes boilerplate Sec. 1702 to describe the rate increase. <u>Senate</u> includes \$6.6 million Gross (\$2.3 million GF/GP) to provide a 20% rate increase and includes boilerplate Sec. 1883. <u>Conference</u> includes \$4.9 million Gross (\$1.7 million GF/GP) to provide a 15% rate increase and adjusts House Sec. 1702 accordingly.	Federal	NA	3,224,900
	GF/GP	NA	\$1,725,000
51. Hospice Room and Board	Gross	\$107,768,400	\$2,500,000
<u>Senate</u> and <u>Conference</u> transfer in \$2.5 million GF/GP of one-time FY 2015-16 funding to support hospice room and board costs for facilities are the state licensed but not federally certified.	Federal	70,695,900	0
	GF/GP	\$37,072,500	\$2,500,000
52. Healthy Kids Dental	Gross	\$219,139,400	\$25,601,000
<u>Executive</u> adds \$25.6 million Gross (\$8.9 million GF/GP) to complete expansion of Healthy Kids Dental, covering children ages 13 to 20 in Kent, Oakland, and Wayne Counties. Revises boilerplate Sec. 1894 to reflect expansion to children of all ages in those counties. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	143,150,200	16,679,100
	GF/GP	\$75,989,200	\$8,921,900
53. Adult Dental Services	Gross	\$219,139,400	\$0
<u>Senate</u> provides \$23.0 million Gross (\$8.0 million GF/GP) to convert the current Medicaid fee-for-service adult dental program to a managed care program. Funding only supports cost for the last fiscal quarter. <u>Conference</u> does not include.	Federal	143,150,200	0
	GF/GP	\$75,989,200	\$0
54. Pregnant Women Dental Rate Increase	Gross	\$219,139,400	\$2,726,000
<u>Conference</u> provides \$2.7 million Gross (\$950,000 GF/GP) to increase the dental services reimbursement rate for services provided to pregnant women.	Federal	143,150,200	1,776,000
	GF/GP	\$75,989,200	\$950,000
55. Ambulance Quality Assurance Assessment Program (QAAP)	Gross	\$8,641,000	\$35,507,000
<u>Executive</u> expands QAAP-funded ambulance provider rate increase to managed care and Healthy Michigan Plan payments to ambulance providers. Executive also notes that the ambulance QAAP roll out has been delayed until April 1, 2016. <u>House</u> concurs and includes technical fund sourcing and authorization adjustments. <u>Senate</u> concurs and includes additional technical adjustments. <u>Conference</u> concurs with the House.	Federal	5,668,500	26,718,800
	Restricted	3,972,500	11,667,200
	GF/GP	(\$1,000,000)	(\$2,879,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
56. Court Appointed Guardianship Rate Increase	Gross	NA	\$2,726,000
<u>House</u> includes a \$100 placeholder to increase rates paid for guardianship services provided for legally incapacitated adults. <u>Senate</u> does not include. <u>Conference</u> provides \$2.7 million Gross (\$950,000 GF/GP) to increase guardian rate from \$60 to \$83.	Federal	NA	1,776,000
	GF/GP	NA	\$950,000
57. Personal Care Services Rate Increase	Gross	\$11,762,300	\$717,400
<u>House</u> adds \$717,400 Gross (\$250,000 GF/GP) to provide a \$15 per month increase for adult foster care facilities and homes for the aged that provide personal care services to Medicaid beneficiaries. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	Federal	7,716,100	467,400
	GF/GP	\$4,046,200	\$250,000
58. Direct Primary Care Pilot	Gross	NA	\$0
<u>Senate</u> provides \$2.3 million Gross (\$830,000 GF/GP) to support a Direct Primary Care Pilot. <u>Senate</u> also includes Sec. 1880 describing the pilot program. <u>Conference</u> does not include funding, but does include House Sec. 1701 directing DHHS to review and consider implementing a pilot program.	Federal	NA	0
	GF/GP	NA	\$0
59. Medicaid Health Plan Capitated Rate Reduction	Gross	\$8,707,739,100	(\$37,857,100)
<u>Conference</u> reduces Medicaid health plan capitated rates \$37.9 million Gross (\$10.2 million GF/GP) with the assumption that the Medicaid health plans can achieve savings through efficiencies in Emergency Department utilization, Hospital re-admissions, and other utilization efficiencies.	Federal	7,059,889,800	(27,607,300)
	Local	14,617,500	0
	Restricted	1,168,471,000	0
	GF/GP	464,760,800	(\$10,249,800)
60. University of Detroit Dental Clinic Program	Gross	\$1,000,000	\$1,000,000
<u>House</u> adds \$3.3 million GF/GP for the University of Detroit Dental program. Total \$4.3 million allocation is distributed 50% on an ongoing basis and 50% on a one-time basis. <u>Senate</u> reduces allocation to a \$100 placeholder. <u>Conference</u> adds \$1.0 million GF/GP on an ongoing basis.	GF/GP	\$1,000,000	\$1,000,000
61. Merit Award Trust Fund Adjustment	Gross	\$98,434,700	\$0
<u>Executive</u> offsets \$23.7 million in Merit Award Trust Fund revenue appropriated in the long term care services line item with GF/GP in order to redirect Merit Award Trust Fund revenue to pay costs related to Detroit Public Schools restructuring. <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> offsets \$74.6 million for Detroit Public Schools restructuring.	Restricted	98,434,700	(74,626,800)
	GF/GP	\$0	\$74,626,800
62. Medicaid Benefits Trust Fund Adjustment	Gross	\$324,146,200	\$0
<u>Executive</u> increases \$17.5 million in Medicaid Benefits Trust Fund revenue to offset GF/GP based on anticipated tobacco tax collections and legal settlements. <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> increases Medicaid Benefits Trust Fund revenue by \$22.5 million.	Restricted	324,146,200	22,500,000
	GF/GP	\$0	(\$22,500,000)

ONE-TIME BASIS ONLY APPROPRIATIONS

63. Current Year One-Time Basis Only Appropriations	Gross	\$7,800,000	(\$7,800,000)
<u>Executive</u> removes the following one-time funding items that were included in the FY 2015-16 budget: \$2.5 million GF/GP for Hospice services, \$1.5 million GF/GP for pay for success contracts, \$1.5 million GF/GP for Mental Health Commission recommendations, \$800,000 Gross (\$400,000 GF/GP) for employment and training support services, and \$1.5 million GF/GP for drug policy initiatives. <u>House</u> includes a \$100 placeholder for Hospice Services. <u>Senate</u> and <u>Conference</u> transfer one-time Hospice services funding to ongoing Medical Services unit.	Federal	400,000	(400,000)
	GF/GP	\$7,400,000	(\$7,400,000)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS

Sec. 204. Performance Metrics for New Programs or Program Increases – REVISED

Requires DHHS, in addition to metrics required under the Management and Budget Act, to identify program-specific metrics for new programs or enhancements in excess of \$1.0 million. Executive deletes. House current law with revised date. Senate revises with \$500,000 threshold and additional metrics. Conference concurs with the House.

Major Boilerplate Changes From FY 2015-16

Sec. 218. Basic Health Services – REVISED

Lists eight health services to be included in annual list of proposed basic health services that are to be available and accessible throughout the state, as required by Part 23 of the Public Health Code, 1978 PA 368. Executive and Senate delete. House current law and revised to "not limited to" the eight health services. Conference concurs with the House.

Sec. 222. Notification and Report of Policy Changes – REVISED

Requires notification of policy changes 30 days before implementation; requires policy manual to be available on the DHHS website; and requires a report by April 1, 2016 on policy changes made to implement new public acts. Executive deletes. House current law but deletes 30 day notification (1). Senate current law. Conference concurs with the House.

Sec. 231. Travel Reimbursement to Local County Board Members and Directors – RETAINED

Allocates up to \$100,000 to reimburse counties for out-of-pocket travel costs of local county department board members and directors to attend one meeting each year of the Michigan County Social Services Association. Executive and Senate delete. House current law. Conference concurs with the House.

Sec. 274. Capped Funds Restriction on Use for Economics Adjustments – REVISED

House revises with date change, deletion of report, and adds new language that the Executive shall not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included in the Governor's budget submission for the ensuing fiscal year. Senate revises date. Conference concurs with the House, and retains report.

Sec. 275. Year-End Federal Funds Adjustments - NEW

Conference includes new language providing authority for the Executive to realign capped and other federal fund sources to maximize federal revenues as part of the year-end closing process, and requiring a report on the realignments.

Sec. 288. Services and Administrative Limitations for New Contracts – RETAINED

Requires that after the first year of a contract, no less than 90% of a new department contract supported solely from state restricted or GF/GP funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services. Executive and House delete. Senate current law. Conference concurs with the Senate.

Sec. 291. E-Verify – REVISED

Requires DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States. Executive deletes. House retains, deletes report. Senate current law. Conference concurs with the House.

Sec. 298. Behavioral Health Integration – NEW

Executive proposes new language would require funding for Medicaid behavioral health services currently provided to Prepaid Inpatient Health Plans (PIHPs) to be transferred to Medicaid health plans by the end of FY 2016-17. Provides for process for stakeholders to develop an integration plan and ensure continuity of care. Requires health plans to contract with existing CMHSPs for provision of specialty services and supports. Requires report describing the integration plan. House proposes alternate new language requiring the Department work with a workgroup to make recommendations on policy and financing to improve coordination of behavioral and physical health services, states goals to consider and requirements for a detailed plan, suggests use of a pilot, and requires updates and a final report on the workgroup's recommendations; states that no funding paid in past years to PIHPs shall be transferred or paid to any other entity without specific legislative authorization. Senate rennumbers to Sec. 296 and requires report on workgroup's proposal to enhance services and to reform financing payment process. Conference revises House language to also ensure access to community-based services and supports, to ensure transparent public oversight, governance, and accountability, to require annual benchmarks to measure progress of implementation, allows funding paid in the past years to PHIPs to be transferred only in cases of pilot programs.

CHILDREN'S SERVICES – CHILD WELFARE

Sec. 501. Foster Care Time Limit Goals – REVISED

Establishes a goal that not more than 27% of foster children at any given time will have been in foster care for 24 months or more; Executive eliminates annual report; Senate retains language; House and Conference revise goal from 27% to 25%.

Sec. 503. Child Welfare Performance-Based Funding – REVISED

Requires DHHS to continue to develop actuarially sound case rates for out-of-home child welfare services by DHHS and private providers. Executive deletes language that requires report on full cost analysis and that prohibits DHHS from phasing in the implementation of model into additional counties unless the county and associated entities agree. House revises language to require cost analysis report only if not provided in previous fiscal year; Senate revises language to include that the report must include background information and details about contractual costs covered by case rate and requires an MOU with counties to implement the model. Conference includes Senate new language concerning report and the requirement of an MOU with counties.

Sec. 511. Physical and Mental Health Assessment Report – REVISED

Requires DHHS to track the number and percentage of foster children who received physical and mental health assessments. Executive deletes language; Senate retains language; House and Conference revise language to require semi-annual reports rather than quarterly reports.

Major Boilerplate Changes From FY 2015-16

Sec. 513. Child Placements in Out-of-State Facilities – REVISED

Restricts placement of children in out-of-state facilities unless specified criteria are met. Executive deletes language that prohibits DHHS to fund child placement in out-of-state facilities without specified approval and language requiring annual report on per diem costs of each residential service provider. Senate retains language; House and Conference eliminate annual per diem costs report.

Sec. 514. Child Protective Services Report – REVISED

Requires report on Child Protective Services; lists specific information and statistics to be included in the report. Executive deletes language; Senate retains language; House and Conference revise language by changing report date from January 1 to March 1.

Sec. 515. Kent County Privatization Implementation – REVISED

Requires report that provides an update on the privatization of child welfare services in Kent County. Executive deletes language; House concurs with the Executive; Senate and Conference revise report date from March 1 to October 1.

Sec. 525. On-Site Evaluations – RETAINED

Requires DHHS to use the same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities. Executive deletes language; House, Senate, and Conference retain language.

Sec. 532. Licensing and Contract Compliance Review – REVISED

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes. Executive deletes language; House revises language by striking requirement that DHHS not conduct licensing reviews more than once every 2 years for certain agencies. Senate revises language to require that licensing reviews be not more than once every 3 years for certain agencies; Conference revises language to require these reviews not be conducted more than once every 4 years for certain agencies.

Sec. 533. Child Welfare Payment Promptness – REVISED

Directs DHHS to make payments to child placing agencies within 30 days after receiving documentation for out-of-home care and in-home care services; requires report. Executive deletes language; House revises language referring to the recipients of the report; Senate and Conference revise to provide legislative intent that DHHS has burden to ensure timely payments are made and revises report to include the percentage of payments made to each agency over 30 days late.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHHS; establishes general independent living administrative rate of \$28; requires payments for independent living plus services at the statewide per diem; increases administrative rate for foster care services by \$3, provided that the county match rate is eliminated for this increase; requires DHHS to provide an increase to each private provider of residential services, provided that the county match rate is eliminated for this increase. Executive eliminates language requiring \$3.00 administrative rate increase and language requiring an increase to private residential service providers; also strikes language that eliminates the county match requirements for these rate increases. House revises language by striking the \$3.00 rate increase and increasing the base administrative rate from \$37 to \$40; requires DHHS to pay 100% of the administrative rate to providers; requires quarterly report on number of foster care cases administered by DHHS and by private providers; Senate and Conference retain current-year language, but raise private agency administrative rate increase from \$3 to \$8, thus increasing overall rate from \$40 to \$45.

Sec. 558. Child Welfare Training Institute Report – REVISED

Requires DHHS to maximize use of training programs or courses provided through the Child Welfare Training Institute (CWI) and requires courses be made available to private service providers' employees. Executive deletes language that requires report on the training programs and courses provided; House concurs with the Executive. Senate includes new language allowing nationally accredited agencies to conduct their own staff training and prohibits DHHS from hiring private agency employees until 6 months after CWI training. Conference requires DHHS to conduct a workgroup to study reducing current 4 weeks of centralized training; requires report.

Sec. 567. Medical Passports – RETAINED

Requires foster care caseworkers to complete medical passports and requires medical passport to be transferred within 2 weeks from date of placement or return home. Executive deletes language; House, Senate, and Conference retain language.

Sec. 585. Private Agency Staff Training – RETAINED

Requires DHHS to make available at least 1 pre-service training class each month for caseworkers of private agencies. Executive deletes language; House, Senate, and Conference retain language.

Sec. 589. Payment of Foster Care Administrative Rate – REVISED

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers beginning October 1, 2013. Executive deletes language; House moves language into Sec. 546; Senate retains language; Conference deletes reference to cases beginning on October 1, 2013.

Major Boilerplate Changes From FY 2015-16

PUBLIC ASSISTANCE

Sec. 613. Indigent Burial – REVISED

Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements; Executive deletes language requiring \$20 increase from previous year; Senate retains current language; House and Conference revise language to require that the adult burial with services allowance for reimbursement shall be \$725, the adult burial without services allowance shall be \$490, and the infant burial allowance shall be \$170.

Sec. 617. Law Enforcement Information Network (LEIN) Report – RETAINED

Requires report on the number and percentage of persons no longer eligible for public assistance because of their status in LEIN. Executive deletes language; House concurs with the Executive; Senate, and Conference retain current language.

Sec. 625. Legal Services Association of Michigan – REVISED

Permits DHHS to contract with Legal Services Association of Michigan to provide assistance to individuals who have applied or wish to apply for federal disability benefits. Executive deletes language; House, Senate, and Conference include language to provide that up to \$500,000 shall be paid to Legal Services Association of Michigan for SSI advocacy legal services.

Sec. 656. Heat and Eat Program Funding – NOT INCLUDED

House includes language requiring DHHS to allocate \$3.2 million federal LIHEAP funding for the program commonly referred to as Heat and Eat to enable additional Food Assistance Program (FAP) cases to receive additional FAP benefits; Senate and Conference do not include language.

CHILDREN'S SERVICES – JUVENILE JUSTICE

Sec. 701. Residential Facility Contracts – RETAINED

Unless required from changes to federal or state law or at the request of a provider, prohibits signed contracts with private residential facilities to be altered without written consent from a representative of the private residential facility. Executive deletes language; House, Senate, and Conference retain language.

Sec. 708. County Spending Plan Required – REVISED

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan by October 1 of each year; approval must be obtained prior to December 15; Executive eliminates required report. House revises language to only require report if 1 or more counties do not submit spending plan; Senate retains current language; Conference prohibits DHHS from requesting any additional revisions to a plan outside of originally requested revisions.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 805. Order of Selection – RETAINED

States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. Executive deletes language; House, Senate, and Conference retain language.

BEHAVIORAL HEALTH SERVICES

Sec. 912. Salvation Army Harbor Light Contract – REVISED

Executive deletes requirement for DHHS to contract directly with the Salvation Army Harbor Light Program to provide non-Medicaid substance use disorder services. House retains language. Senate and Conference add condition that the local coordinating agency or DHHS confirm the program meets the standard of care, including use of medication assisted treatment.

Sec. 920. Rate-Setting Process for PIHPs – NEW

House requires that the Medicaid rate-setting process for PIHPs include any state minimum wage increases; also states legislative intent that any Medicaid rate increase be also distributed to direct care employees. Senate requires DHHS to consider including state minimum wage increases in the rate-setting process and rennumbers to Sec. 1011. Conference expands House language to require DHHS to include state and federal wage and compensation increases.

Sec. 924. Timely Claims Process for PIHPs – DELETED

Requires that PIHPs contracting with DHHS to provide services to the Medicaid population adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in the Social Welfare Act. Executive and House delete language. Senate retains language. Conference deletes language.

Sec. 940. Transferring and Withdrawing CMHSP Allocations – NEW

Conference requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses and to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs and requires DHHS to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region.

Sec. 942. CMHSP Notice of Reduction, Termination, or Suspension of CMHSP Provided Services – NEW

Conference requires a CMHSP to provide at least 30 days' notice before reducing, terminating, or suspending services to CMHSP clients, with the exception of services that no longer meet established criteria for medical necessity.

Major Boilerplate Changes From FY 2015-16

Sec. 960. University Autism Programs – REVISED

Requires DHHS to allocate funds appropriated for university autism programs through a grant process. Executive adds outcomes and performance measures: increase in behavioral analysts certified from a program, autism diagnosis services provided, and employment rate of employment program participants. House also adds requirement for universities to track and report initial employment of certified applied behavioral analysts. Senate retains language. Conference concurs with the House.

Sec. 1004. Workgroup on PIHPs Capitation Payments – REVISED

Requires DHHS to continue to work with the workgroup created to make recommendations to achieve more uniformity in capitation payments made to the PIHPs; requires a progress report. Executive and House revise to require DHHS to provide implementation report. Senate deletes language. Conference replaces current language with requirement for DHHS to provide 90 days' notice before rebasing formula to either Medicaid behavioral health services or non-Medicaid mental health services.

Sec. 1010(2)/Sec. 928(2). Redistribution of Lapsed Funds – REVISED

States intent that any lapsed funds from appropriation for Medicaid Mental Health Services be redistributed to individual CMHSPs and requires report on lapse amounts. Executive deletes; House retains language and renumbers to Sec. 1011. Senate retains language. Conference renumbers to Sec. 928(2) and revises redistribution to be based on local matching requirement for Medicaid rates.

Sec. 1010. Kevin's Law – NEW

Executive allocates \$2.0 million to address implementation of court ordered assisted outpatient treatment under the Mental Health Code (Kevin's Law). House concurs with Executive. Senate does not include. Conference revises to allocate "up to" \$2.0 million for Kevin's Law.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1057. Hawthorn Center and Caro Center Evaluation – NEW

House requires DHHS to secure an appraisal of the Hawthorn Center and develop a proposal for possible replacement of the facility at the same or new location. Senate does not include. Conference requires DHHS to evaluate the condition of the Hawthorn Center and Caro Center, the cost effectiveness of improvements, and to recommend improvements.

HEALTH POLICY

Sec. 1140. Free Health Clinic Funding – RETAINED

Allocates \$250,000 to free health clinics from the funds appropriated for primary care services. Requires DHHS to distribute funds equally to each free health clinic. Executive and Senate delete. House current law. Conference concurs with the House.

Sec. 1145. Payments to Indian or Tribal Facilities for Medical Services – REVISED

Directs DHHS to take steps necessary to assure that Indian Health Service, Tribal or Urban Indian Health Program facilities receive the maximum amount allowable under federal law for Medicaid services. Executive and House delete. Senate revises. Conference concurs with the Senate.

Sec. 1150. Opioid Fraud Collaboration – NEW

Senate includes new language to require DHHS to coordinate with other state departments and Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid. House does not include. Conference concurs and revises to include law enforcement and other 2015 recommendations of the Prescription Drug and Opioid Abuse Task Force.

Sec. 1151. Opioid Addiction Treatment Education Collaboration – NEW

Senate includes new boilerplate to require DHHS to coordinate with other state departments and Medicaid health plans to work with providers to inform Medicaid beneficiaries of opioid addiction treatment options when an opioid prescription is completed. House does not include. Conference concurs and revises to include law enforcement and other recommendations of the 2015 Opioid Abuse Task Force.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1300. Report of Sexual and Maternal Health Demographics and Expenditures by Marital Status – REVISED

Requires report of an estimate of public funds administered for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births. Executive and Senate delete. House revises to require DHHS to monitor, and provide report upon request. Conference concurs with the House.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (WIC)

Sec. 1340. Lowest Price Product Choice by WIC Participants - REVISED

Requires WIC program to encourage participants to choose the lowest price product available; all products must satisfy nutritional requirements of the federal program; WIC biannual food authorization guidelines are to reflect these changes. Executive deletes. House revises to direct DHHS to make national brand products available if determined cost effective. Senate revises to direct DHHS to include national brand peanut butter on WIC list of approved food items. Conference concurs with Senate.

Major Boilerplate Changes From FY 2015-16

MEDICAL SERVICES

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees and requires prescription co-payments for certain Medicaid and Healthy Michigan Plan (HMP) recipients. Executive revises to state that co-payments shall be consistent with the terms and conditions established by the Centers for Medicare and Medicaid Services linked to the HMP waiver. House concurs with Executive and replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015. Senate retains current language. Conference replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015.

Sec. 1645. Nursing Home QAAP Calculation and Review – NEW

House requires DHHS to review and recalculate the nursing home QAAP calculation to reflect actual days of care instead of projected days of care by each nursing home and hospital long-term care unit. Senate does not include. Conference requires DHHS to review current nursing home QAAP calculation, report any excess collections greater than \$1.0 million, and report on feasibility of creating a more accurate assessment and whether rebates can or cannot be made.

Sec. 1670. MIChild Program Eligibility – REVISED

Establishes eligibility standards and other provisions for the MIChild Program. Executive and House revise to remove various specific program operation-related requirements. Senate removes fewer program requirements. Conference concurs with the Executive and House.

Sec. 1801. Primary Care Rates – REVISED

Requires DHHS to use \$33.3 million GF/GP plus associated federal match to continue to increase Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care. Executive retains language. House adds neonatal medicine subspecialty to the list of primary care providers eligible for the rate increase. Senate retains language. Conference removes specific dollar amount, removes requirement for DHHS to evaluate inclusion of neonatal subspecialty, and includes reporting requirement.

Sec. 1805. Graduate Medical Education (GME) Quality Data – REVISED

Requires hospitals receiving GME payments to submit quality data to a specified national nonprofit organization utilizing consensus-based nationally endorsed standards and requires DHHS to withhold fourth quarter GME payments if data is not submitted. Executive deletes language. House revises to permit hospitals to submit quality data to CMS Hospital Compare and strikes fourth quarter withhold provision. Senate requires GME payments to be withheld until submission of quality data. Conference revises to require submission of data to a nonprofit organization, requires the public website to provide information to compare safe practices by hospital campus, including perinatal care, hospital-acquired infection, and serious reportable events, strikes fourth quarter withhold provision, and requires the hospitals to also make their quality data available on their website.

Sec. 1812. Graduate Medical Education Program Costs – REVISED

Requires hospitals receiving GME funds to submit report on direct and indirect costs associated with the residency training program; also requires report on marginal cost of adding one additional training slot, additional administrative costs, and postresidency retention rate; requires DHHS to hold a GME recipient's fourth quarter payment until required information is submitted; requires workgroup and report on metrics for distribution of GME funds, with intent that those metrics will be used to distribute GME funds beginning with FY 2016-17; provides for DHHS to seek a federal waiver to fulfill the requirements of the section if needed. Executive adds State Budget Office to report recipients. House concurs with Executive and requires DHHS to complete the report from most recent cost reports, to develop a template for hospitals to use for marginal and administrative costs, and strikes fourth quarter GME payment withhold. Senate requires GME payments to be withheld until submission of data. Conference concurs with the House.

Sec. 1861. Nonemergency Medical Transportation Pilot – REVISED

Requires DHHS to encourage cooperation between Medicaid health plans, other health providers, and nonprofit entities to help facilitate a pilot nonemergency transportation system. Executive deletes language. House revises language for continued facilitation. Senate deletes language. Conference concurs with the House.

Sec. 1870. MIDocs Consortium – REVISED

Requires DHHS to establish the MIDocs consortium, consisting of Michigan-based medical schools, with purpose of developing freestanding residency training programs in primary care and other ambulatory care-based specialties. Executive deletes language; House revises language for DHHS to continue to work with MIDocs consortium. Senate requires MIDocs to serve as the fiduciary for any state-appropriations for a pilot program, develop a grant making mechanism, identify new residency slots, and requires a report. Conference concurs with the House.

Sec. 1874. Program of All-Inclusive Care for the Elderly Inclusion – NEW

Senate and Conference require DHHS to ensure PACE is included as an option, where available, in options counseling and enrollment brokering for aging services, requires DHHS to establish a workgroup, and to provide a report on workgroup findings.

Major Boilerplate Changes From FY 2015-16

Sec. 1875. Prior Authorization for Certain Drugs – NEW

House, in Sec. 1704, and Senate, in Sec. 1875, prohibit DHHS and its contractual agents from requiring prior authorization for psychotropic medications and drugs for the treatment of cancer, HIV-AIDS, epilepsy/seizure disorder, or organ transplant therapy; defines "prior authorization." Conference, in Sec. 1875, applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications and drugs for the treatment of epilepsy/seizure disorder or organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016, defines "prior authorization".

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1912. Mobile Electronic Service Verification Study – NEW

House provides \$25,000 to commission a study to review the outcomes and performance improvements of developing and piloting a mobile electronic biometric identity verification product for home help services. Senate does not include. Conference concurs with the House.