

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 118, entitled

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2016; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make and supplement appropriations for the department of community health for the fiscal years ending September 30, 2015 and September 30, 2016; and to provide for the expenditure of the appropriations.

Jim Marleau

Rob VerHeulen

Mike Shirkey

John Bizon, M.D.

Curtis Hertel, Jr.

Brandon Dillon

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 118**

A bill to make and supplement appropriations for the department of community health for the fiscal years ending September 30, 2015 and September 30, 2016; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2016, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

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

1	Full-time equated classified positions.....	3,687.1	
2	Average population	893.0	
3	GROSS APPROPRIATION.....		\$ 19,562,369,000
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers		9,678,100
7	ADJUSTED GROSS APPROPRIATION.....		\$ 19,552,690,900
8	Federal revenues:		
9	Social security act, temporary assistance for needy		
10	families		17,814,100
11	Total other federal revenues.....		14,018,103,800
12	Special revenue funds:		
13	Total local revenues.....		85,951,800
14	Total private revenues.....		129,698,700
15	Merit award trust fund.....		68,334,700
16	Total other state restricted revenues.....		2,032,191,100
17	State general fund/general purpose.....		\$ 3,200,596,700
18	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
19	Full-time equated unclassified positions.....	6.0	
20	Full-time equated classified positions.....	190.7	
21	Director and other unclassified--6.0 FTE positions ...		\$ 735,500
22	Departmental administration and management--180.7 FTE		
23	positions		28,049,500
24	Worker's compensation program.....		5,205,700
25	Rent and building occupancy.....		10,602,500
26	Developmental disabilities council and projects--10.0		
27	FTE positions		3,038,900

1	Human trafficking intervention services	<u>200,000</u>
2	GROSS APPROPRIATION.....	\$ 47,832,100
3	Appropriated from:	
4	Federal revenues:	
5	Total other federal revenues	16,096,300
6	Special revenue funds:	
7	Total private revenues	35,200
8	Total other state restricted revenues	834,500
9	State general fund/general purpose	\$ 30,866,100
10	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
11	AND SPECIAL PROJECTS	
12	Full-time equated classified positions.....	106.0
13	Behavioral health program administration--105.0 FTE	
14	positions	\$ 61,874,500
15	Gambling addiction--1.0 FTE position	3,003,700
16	Protection and advocacy services support	194,400
17	Community residential and support services	592,100
18	Federal and other special projects	2,535,600
19	Family support subsidy	17,633,600
20	Housing and support services	<u>13,238,800</u>
21	GROSS APPROPRIATION.....	\$ 99,072,700
22	Appropriated from:	
23	Federal revenues:	
24	Social security act, temporary assistance for needy	
25	families	17,814,100
26	Total other federal revenues	47,889,000
27	Special revenue funds:	

1	Total private revenues.....	1,000,000
2	Total other state restricted revenues.....	3,003,700
3	State general fund/general purpose.....	\$ 29,365,900
4	Sec. 104. BEHAVIORAL HEALTH SERVICES	
5	Full-time equated classified positions.....	9.5
6	Medicaid mental health services.....	\$ 2,383,364,300
7	Community mental health non-Medicaid services.....	117,050,400
8	Mental health services for special populations.....	8,842,800
9	Medicaid substance use disorder services.....	47,495,700
10	Civil service charges.....	1,499,300
11	Federal mental health block grant--2.5 FTE positions.	15,444,600
12	State disability assistance program substance use	
13	disorder services	2,018,800
14	Community substance use disorder prevention,	
15	education, and treatment	73,811,800
16	Children's waiver home care program.....	20,000,000
17	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,258,800
18	Children with serious emotional disturbance waiver...	12,647,900
19	Health homes.....	3,369,000
20	Healthy Michigan plan - behavioral health.....	355,432,600
21	Autism services.....	36,418,500
22	University autism programs.....	<u>2,500,000</u>
23	GROSS APPROPRIATION.....	\$ 3,092,154,500
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of human	
27	services	6,340,500

1	Federal revenues:	
2	Total other federal revenues	2,084,174,300
3	Special revenue funds:	
4	Total local revenues	25,475,800
5	Total other state restricted revenues	22,512,700
6	State general fund/general purpose	\$ 953,651,200
7	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
8	MENTAL HEALTH SERVICES	
9	Total average population	893.0
10	Full-time equated classified positions.....	2,130.9
11	Caro Regional Mental Health Center - psychiatric	
12	hospital - adult--461.3 FTE positions.....	\$ 56,313,400
13	Average population	185.0
14	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
15	positions	64,459,400
16	Average population	189.0
17	Walter P. Reuther Psychiatric Hospital - adult--420.8	
18	FTE positions	55,835,000
19	Average population	234.0
20	Hawthorn Center - psychiatric hospital - children and	
21	adolescents--226.4 FTE positions.....	28,735,600
22	Average population	75.0
23	Center for forensic psychiatry--556.3 FTE positions ..	72,538,000
24	Average population	210.0
25	Revenue recapture.....	750,000
26	IDEA, federal special education.....	120,000
27	Special maintenance.....	332,500

1	Purchase of medical services for residents of	
2	hospitals and centers	445,600
3	Gifts and bequests for patient living and treatment	
4	environment	<u>1,000,000</u>
5	GROSS APPROPRIATION.....	\$ 280,529,500
6	Appropriated from:	
7	Federal revenues:	
8	Total other federal revenues.....	34,711,200
9	Special revenue funds:	
10	Total local revenues.....	19,480,700
11	Total private revenues.....	1,000,000
12	Total other state restricted revenues.....	18,868,500
13	State general fund/general purpose.....	\$ 206,469,100
14	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
15	Full-time equated classified positions..... 100.4	
16	Public health administration--7.3 FTE positions	\$ 1,567,800
17	Health and wellness initiatives--11.7 FTE positions ..	8,946,400
18	Vital records and health statistics--81.4 FTE	
19	positions	<u>11,763,400</u>
20	GROSS APPROPRIATION.....	\$ 22,277,600
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	Interdepartmental grant from the department of human	
24	services	1,206,100
25	Federal revenues:	
26	Total other federal revenues.....	3,650,800
27	Special revenue funds:	

1	Total other state restricted revenues	12,337,600
2	State general fund/general purpose	\$ 5,083,100
3	Sec. 107. HEALTH POLICY	
4	Full-time equated classified positions..... 64.8	
5	Bone marrow transplant registry.....	\$ 250,000
6	Certificate of need program administration--12.3 FTE	
7	positions	2,781,400
8	Emergency medical services program--23.0 FTE positions	6,415,200
9	Health innovation grants.....	1,500,000
10	Health policy administration--24.1 FTE positions	28,106,300
11	Michigan essential health provider.....	3,591,300
12	Minority health grants and contracts.....	612,700
13	Nurse education and research program--3.0 FTE	
14	positions	1,041,500
15	Primary care services--1.4 FTE positions.....	4,067,500
16	Rural health services--1.0 FTE position.....	<u>1,555,500</u>
17	GROSS APPROPRIATION.....	\$ 49,921,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	licensing and regulatory affairs.....	1,041,500
22	Interdepartmental grant from the department of	
23	treasury, Michigan state hospital finance authority.	116,000
24	Federal revenues:	
25	Total other federal revenues.....	32,987,200
26	Special revenue funds:	
27	Total private revenues.....	865,000

1	Total other state restricted revenues	6,561,700
2	State general fund/general purpose	\$ 8,350,000
3	Sec. 108. LABORATORY SERVICES	
4	Full-time equated classified positions.....	100.0
5	Laboratory services--100.0 FTE positions	\$ <u>20,295,500</u>
6	GROSS APPROPRIATION.....	\$ 20,295,500
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of	
10	environmental quality	974,000
11	Federal revenues:	
12	Total other federal revenues	2,294,400
13	Special revenue funds:	
14	Total other state restricted revenues	10,261,900
15	State general fund/general purpose	\$ 6,765,200
16	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE	
17	Full-time equated classified positions.....	144.9
18	AIDS surveillance and prevention program.....	\$ 1,854,100
19	Bioterrorism preparedness--52.0 FTE positions	30,077,600
20	Epidemiology administration--41.6 FTE positions	12,455,700
21	Healthy homes program--8.0 FTE positions	4,384,300
22	Immunization program--12.8 FTE positions	18,817,900
23	Newborn screening follow-up and treatment services--	
24	10.5 FTE positions	7,223,000
25	Sexually transmitted disease control program--20.0 FTE	
26	positions	6,246,900
27	Tuberculosis control and prevention.....	<u>867,000</u>

1	GROSS APPROPRIATION.....	\$	81,926,500
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues.....		60,864,000
5	Special revenue funds:		
6	Total private revenues.....		2,339,000
7	Total other state restricted revenues.....		11,577,900
8	State general fund/general purpose.....	\$	7,145,600
9	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS		
10	Full-time equated classified positions..... 2.0		
11	Essential local public health services.....	\$	40,886,100
12	Implementation of 1993 PA 133, MCL 333.17015.....		20,000
13	Local health services--2.0 FTE positions.....		536,100
14	Medicaid outreach cost reimbursement to local health		
15	departments		<u>9,000,000</u>
16	GROSS APPROPRIATION.....	\$	50,442,200
17	Appropriated from:		
18	Federal revenues:		
19	Total other federal revenues.....		9,536,100
20	Special revenue funds:		
21	Total local revenues.....		5,150,000
22	State general fund/general purpose.....	\$	35,756,100
23	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND		
24	HEALTH PROMOTION		
25	Full-time equated classified positions..... 113.0		
26	AIDS prevention, testing, and care programs--47.7 FTE		
27	positions	\$	70,423,000

1	Alzheimer's disease in-home care pilot	150,000
2	Cancer prevention and control program--13.0 FTE	
3	positions	15,005,800
4	Chronic disease control and health promotion	
5	administration--29.4 FTE positions.....	6,356,200
6	Diabetes and kidney program--8.0 FTE positions	3,038,100
7	Smoking prevention program--12.0 FTE positions	2,107,600
8	Violence prevention--2.9 FTE positions	<u>1,823,700</u>
9	GROSS APPROPRIATION.....	\$ 98,904,400
10	Appropriated from:	
11	Federal revenues:	
12	Total other federal revenues.....	52,671,100
13	Special revenue funds:	
14	Total private revenues.....	38,778,400
15	Total other state restricted revenues.....	5,534,000
16	State general fund/general purpose.....	\$ 1,920,900
17	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
18	SERVICES	
19	Full-time equated classified positions.....	69.6
20	Childhood lead program--2.5 FTE positions.....	\$ 1,563,300
21	Dental programs--3.0 FTE positions.....	1,818,200
22	Family, maternal, and children's health services	
23	administration--50.1 FTE positions.....	8,437,000
24	Family planning local agreements.....	8,310,700
25	Local MCH services.....	7,018,100
26	Pregnancy prevention program.....	602,100
27	Prenatal care outreach and service delivery support--	

1	14.0 FTE positions	18,383,000
2	Special projects.....	6,289,100
3	Sudden infant death syndrome program.....	<u>321,300</u>
4	GROSS APPROPRIATION.....	\$ 52,742,800
5	Appropriated from:	
6	Federal revenues:	
7	Total other federal revenues.....	42,214,500
8	Special revenue funds:	
9	Total local revenues.....	75,000
10	Total private revenues.....	874,500
11	Total other state restricted revenues.....	20,000
12	State general fund/general purpose.....	\$ 9,558,800
13	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
14	NUTRITION PROGRAM	
15	Full-time equated classified positions..... 45.0	
16	Women, infants, and children program administration	
17	and special projects--45.0 FTE positions.....	\$ 17,905,900
18	Women, infants, and children program local agreements	
19	and food costs	<u>256,285,000</u>
20	GROSS APPROPRIATION.....	\$ 274,190,900
21	Appropriated from:	
22	Federal revenues:	
23	Total other federal revenues.....	213,113,000
24	Special revenue funds:	
25	Total private revenues.....	61,077,900
26	State general fund/general purpose.....	\$ 0
27	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	

1	Full-time equated classified positions.....	46.8	
2	Children's special health care services		
3	administration--44.0 FTE positions.....		\$ 5,897,900
4	Bequests for care and services--2.8 FTE positions		1,528,200
5	Outreach and advocacy.....		5,510,000
6	Nonemergency medical transportation.....		905,900
7	Medical care and treatment.....		<u>188,291,400</u>
8	GROSS APPROPRIATION.....		\$ 202,133,400
9	Appropriated from:		
10	Federal revenues:		
11	Total other federal revenues.....		106,154,700
12	Special revenue funds:		
13	Total private revenues.....		1,008,900
14	Total other state restricted revenues.....		3,858,400
15	State general fund/general purpose.....		\$ 91,111,400
16	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
17	Full-time equated classified positions.....	13.0	
18	Grants administration services--13.0 FTE positions ...		\$ 2,129,800
19	Justice assistance grants.....		15,000,000
20	Crime victim rights services grants.....		<u>16,870,000</u>
21	GROSS APPROPRIATION.....		\$ 33,999,800
22	Appropriated from:		
23	Federal revenues:		
24	Total other federal revenues.....		18,697,500
25	Special revenue funds:		
26	Total other state restricted revenues.....		15,302,300
27	State general fund/general purpose.....		\$ 0

1	Sec. 116. AGING AND ADULT SERVICES AGENCY	
2	Full-time equated classified positions.....	40.0
3	Aging and adult services administration--40.0 FTE	
4	positions	\$ 7,784,500
5	Community services.....	39,013,900
6	Nutrition services.....	39,044,000
7	Employment assistance.....	3,500,000
8	Program of all-inclusive care for the elderly.....	65,938,500
9	Respite care program.....	5,868,700
10	Senior volunteer service programs.....	<u>4,465,300</u>
11	GROSS APPROPRIATION.....	\$ 165,614,900
12	Appropriated from:	
13	Federal revenues:	
14	Total other federal revenues.....	100,779,800
15	Special revenue funds:	
16	Total private revenues.....	520,000
17	Merit award trust fund.....	4,068,700
18	Total other state restricted revenues.....	1,400,000
19	State general fund/general purpose.....	\$ 58,846,400
20	Sec. 117. MEDICAL SERVICES ADMINISTRATION	
21	Full-time equated classified positions.....	510.5
22	Medical services administration--450.5 FTE positions .	\$ 92,648,500
23	Healthy Michigan plan administration--36.0 FTE	
24	positions	49,342,300
25	Facility inspection contract.....	132,800
26	MIChild administration.....	3,500,000
27	Electronic health record incentive program--24.0 FTE	

1	positions	<u>144,226,200</u>
2	GROSS APPROPRIATION.....	\$ 289,849,800
3	Appropriated from:	
4	Federal revenues:	
5	Total other federal revenues.....	242,788,100
6	Special revenue funds:	
7	Total local revenues.....	105,700
8	Total private revenues.....	99,800
9	Total other state restricted revenues.....	331,300
10	State general fund/general purpose.....	\$ 46,524,900
11	Sec. 118. MEDICAL SERVICES	
12	Hospital services and therapy.....	\$ 1,139,960,500
13	Hospital disproportionate share payments.....	45,000,000
14	Physician services.....	334,848,800
15	Medicare premium payments.....	410,077,800
16	Pharmaceutical services.....	300,132,400
17	Home health services.....	5,893,100
18	Hospice services.....	107,768,400
19	Transportation.....	21,636,100
20	Auxiliary medical services.....	6,339,600
21	Dental services.....	233,674,300
22	Ambulance services.....	18,987,700
23	Long-term care services.....	1,396,577,100
24	Integrated care organizations.....	454,700,000
25	Medicaid home- and community-based services waiver ...	329,692,700
26	Adult home help services.....	303,047,800
27	Personal care services.....	11,762,300

1	Health plan services.....	5,011,623,000
2	MiChild program.....	22,211,200
3	Federal Medicare pharmaceutical program.....	203,481,400
4	Maternal and child health.....	20,279,500
5	Healthy Michigan plan.....	3,726,633,700
6	Subtotal basic medical services program.....	14,104,327,400
7	School-based services.....	112,102,700
8	Dental clinic program.....	1,000,000
9	Special Medicaid reimbursement.....	388,891,700
10	Subtotal special medical services payments.....	<u>501,994,400</u>
11	GROSS APPROPRIATION.....	\$ 14,606,321,800
12	Appropriated from:	
13	Federal revenues:	
14	Total other federal revenues.....	10,904,029,000
15	Special revenue funds:	
16	Total local revenues.....	35,664,600
17	Total private revenues.....	2,100,000
18	Merit award trust fund.....	64,266,000
19	Total other state restricted revenues.....	1,917,800,800
20	State general fund/general purpose.....	\$ 1,682,461,400
21	Sec. 119. INFORMATION TECHNOLOGY	
22	Information technology services and projects.....	\$ 36,958,100
23	Michigan Medicaid information system.....	<u>50,201,100</u>
24	GROSS APPROPRIATION.....	\$ 87,159,200
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	45,452,800

1	Special revenue funds:		
2	Total private revenues.....		20,000,000
3	Total other state restricted revenues.....		1,985,800
4	State general fund/general purpose.....	\$	19,720,600
5	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS		
6	Pay for success contracts.....	\$	1,500,000
7	Mental health commission recommendations.....		1,500,000
8	Drug policy initiatives.....		1,500,000
9	Hospice services.....		<u>2,500,000</u>
10	GROSS APPROPRIATION.....	\$	7,000,000
11	Appropriated from:		
12	State general fund/general purpose.....	\$	7,000,000

13	PART 1B		
14	SUPPLEMENTAL LINE-ITEM APPROPRIATIONS		
15	Sec. 191. There is appropriated for the department of		
16	community health for the fiscal year ending September 30, 2015,		
17	from the following funds:		
18	DEPARTMENT OF COMMUNITY HEALTH		
19	APPROPRIATION SUMMARY		
20	GROSS APPROPRIATION.....	\$	1,019,662,600
21	Interdepartmental grant revenues:		
22	Total interdepartmental grants and intradepartmental		
23	transfers		0
24	ADJUSTED GROSS APPROPRIATION.....	\$	1,019,662,600
25	Federal revenues:		

1	Total federal revenues.....	993,680,600
2	Special revenue funds:	
3	Total local revenues.....	0
4	Total private revenues.....	0
5	Total other state restricted revenues.....	13,010,100
6	State general fund/general purpose.....	\$ 12,971,900
7	Sec. 192. BEHAVIORAL HEALTH SERVICES	
8	Medicaid mental health services.....	\$ 9,232,100
9	Medicaid substance use disorder services.....	(951,500)
10	Healthy Michigan plan - behavioral health.....	<u>35,131,500</u>
11	GROSS APPROPRIATION.....	\$ 43,412,100
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	40,558,600
15	State general fund/general purpose.....	\$ 2,853,500
16	Sec. 193. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
17	Medical care and treatment.....	\$ <u>(2,931,700)</u>
18	GROSS APPROPRIATION.....	\$ (2,931,700)
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	(1,621,200)
22	State general fund/general purpose.....	\$ (1,310,500)
23	Sec. 194. MEDICAL SERVICES	
24	Hospital services and therapy.....	\$ (43,310,000)
25	Physician services.....	(20,246,400)
26	Medicare premium payments.....	2,002,500
27	Pharmaceutical services.....	1,983,200

1	Home health services.....	(87,800)
2	Hospice services.....	(8,257,400)
3	Transportation.....	(2,667,500)
4	Auxiliary medical services.....	(1,369,300)
5	Dental services.....	(12,920,700)
6	Ambulance services.....	(1,123,000)
7	Long-term care services.....	93,623,600
8	Integrated care organizations.....	(30,478,000)
9	Medicaid home- and community-based services waiver...	(2,206,300)
10	Adult home help services.....	(116,800)
11	Personal care services.....	(548,700)
12	Program of all-inclusive care for the elderly.....	(17,974,300)
13	Autism services.....	(171,800)
14	Health plan services.....	89,683,800
15	MIChild program.....	16,096,200
16	Federal Medicare pharmaceutical program.....	3,802,500
17	Healthy Michigan plan.....	917,634,100
18	Subtotal basic medical services program.....	983,347,900
19	School-based services.....	(4,165,700)
20	Subtotal special medical services payments.....	<u>(4,165,700)</u>
21	GROSS APPROPRIATION.....	\$ 979,182,200
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	954,743,200
25	Special revenue funds:	
26	Total other state restricted revenues.....	13,010,100
27	State general fund/general purpose.....	\$ 11,428,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2015-2016

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 2015-2016 is \$5,301,122,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2015-2016 is \$1,127,817,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Community residential and support services	\$	292,100
Housing and support services		667,400

BEHAVIORAL HEALTH SERVICES

Medicaid mental health services	\$	791,137,400
Community mental health non-Medicaid services		117,050,400
Mental health services for special populations		3,795,900
Medicaid substance use disorder services		16,338,900
State disability assistance program substance use disorder services		2,018,800
Community substance use disorder prevention, education, and treatment		14,553,400
Children's waiver home care program		6,880,000
Nursing home PAS/ARR-OBRA		2,724,900

LABORATORY SERVICES

1	Laboratory services.....	\$	5,000
2	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
3	Sexually transmitted disease control program.....	\$	377,000
4	LOCAL HEALTH ADMINISTRATION AND GRANTS		
5	Essential local public health services.....	\$	34,199,500
6	Implementation of 1993 PA 133, MCL 333.17015.....		300
7	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
8	AIDS prevention, testing, and care programs.....	\$	606,100
9	Cancer prevention and control program.....		116,700
10	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
11	Prenatal care outreach and service delivery support ..	\$	2,044,900
12	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
13	Outreach and advocacy.....	\$	2,204,000
14	Medical care and treatment.....		949,800
15	CRIME VICTIM SERVICES COMMISSION		
16	Crime victim rights services grants.....	\$	6,389,800
17	AGING AND ADULT SERVICES AGENCY		
18	Community services.....	\$	13,333,500
19	Nutrition services.....		9,287,000
20	Respite care program.....		5,868,700
21	Senior volunteer service programs.....		1,127,900
22	MEDICAL SERVICES		
23	Hospital services and therapy.....	\$	2,449,500
24	Physician services.....		10,665,900
25	Dental services.....		1,202,000
26	Long-term care services.....		<u>81,530,900</u>
27	TOTAL OF PAYMENTS TO LOCAL UNITS		

1 OF GOVERNMENT..... \$ 1,127,817,700

2 Sec. 202. The appropriations authorized under this part and
3 part 1 are subject to the management and budget act, 1984 PA 431,
4 MCL 18.1101 to 18.1594.

5 Sec. 203. As used in this part and part 1:

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

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

10 (c) "Current fiscal year" means the fiscal year ending
11 September 30, 2016.

12 (d) "Department" means the department of community health.

13 (e) "Director" means the director of the department.

14 (f) "DSH" means disproportionate share hospital.

15 (g) "EPSDT" means early and periodic screening, diagnosis, and
16 treatment.

17 (h) "Federal poverty level" means the poverty guidelines
18 published annually in the Federal Register by the United States
19 Department of Health and Human Services under its authority to
20 revise the poverty line under 42 USC 9902.

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

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

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

26 (l) "HEDIS" means healthcare effectiveness data and
27 information set.

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

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

4 (o) "MCH" means maternal and child health.

5 (p) "Medicare" means subchapter XVIII of the social security
6 act, 42 USC 1395 to 1395///.

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

8 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
9 resident review required under the omnibus budget reconciliation
10 act of 1987, section 1919(e)(7) of the social security act, 42 USC
11 1396r.

12 (s) "PIHP" means an entity designated by the department as a
13 regional entity or a specialty prepaid inpatient health plan for
14 Medicaid mental health services, services to individuals with
15 developmental disabilities, and substance use disorder services.
16 Regional entities are described in section 204b of the mental
17 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
18 inpatient health plans are described in section 232b of the mental
19 health code, 1974 PA 258, MCL 330.1232b.

20 (t) "Temporary assistance for needy families" means part A of
21 subchapter IV of the social security act, 42 USC 601 to 619.

22 (u) "Title X" means title X of the public health service act,
23 42 USC 300 to 300a-8, which establishes grants to states for family
24 planning services.

25 (v) "Title XIX" and "Medicaid" mean subchapter XIX of the
26 social security act, 42 USC 1396 to 1396w-5.

27 Sec. 204. In addition to the metrics required under section

1 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for
2 each new program or program enhancement for which funds in excess
3 of \$1,000,000.00 are appropriated in part 1, the department shall
4 provide not later than November 1, 2015 a list of program-specific
5 metrics intended to measure its performance based on a return on
6 taxpayer investment. The department shall deliver the program-
7 specific metrics to members of the senate and house subcommittees
8 that have subject matter jurisdiction for this budget, fiscal
9 agencies, and the state budget director. The department shall
10 provide an update on its progress in tracking program-specific
11 metrics and the status of program success at an appropriations
12 subcommittee meeting called for by the subcommittee chair.

13 Sec. 206. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$200,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item
17 in part 1 under section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$40,000,000.00 for state
21 restricted contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in part 1 under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (3) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$20,000,000.00 for local
27 contingency funds. These funds are not available for expenditure

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

4 (4) In addition to the funds appropriated in part 1, there is
5 appropriated an amount not to exceed \$40,000,000.00 for private
6 contingency funds. These funds are not available for expenditure
7 until they have been transferred to another line item in part 1
8 under section 393(2) of the management and budget act, 1984 PA 431,
9 MCL 18.1393.

10 Sec. 207. The department shall maintain, on a public
11 accessible website, a department scorecard that identifies, tracks,
12 and regularly updates key metrics that are used to monitor and
13 improve the department's performance.

14 Sec. 208. The departments and agencies receiving
15 appropriations in part 1 shall use the Internet to fulfill the
16 reporting requirements of this part and part 1. This requirement
17 may include transmission of reports via electronic mail to the
18 recipients identified for each reporting requirement, or it may
19 include placement of reports on the Internet.

20 Sec. 209. Funds appropriated in part 1 shall not be used for
21 the purchase of foreign goods or services, or both, if
22 competitively priced and of comparable quality American goods or
23 services, or both, are available. Preference shall be given to
24 goods or services, or both, manufactured or provided by Michigan
25 businesses if they are competitively priced and of comparable
26 quality. In addition, preference shall be given to goods or
27 services, or both, that are manufactured or provided by Michigan

1 businesses owned and operated by veterans if they are competitively
2 priced and of comparable quality.

3 Sec. 210. The director and the director of the aging and adult
4 services agency shall take all reasonable steps to ensure
5 businesses in deprived and depressed communities compete for and
6 perform contracts to provide services or supplies, or both. The
7 director and the director of the aging and adult services agency
8 shall strongly encourage firms with which the department contracts
9 to subcontract with certified businesses in depressed and deprived
10 communities for services, supplies, or both.

11 Sec. 211. If the revenue collected by the department from fees
12 and collections exceeds the amount appropriated in part 1, the
13 revenue may be carried forward with the approval of the state
14 budget director into the subsequent fiscal year. The revenue
15 carried forward under this section shall be used as the first
16 source of funds in the subsequent fiscal year.

17 Sec. 212. (1) On or before February 1 of the current fiscal
18 year, the department shall report to the house and senate
19 appropriations subcommittees on community health, the house and
20 senate fiscal agencies, and the state budget director on the
21 detailed name and amounts of federal, restricted, private, and
22 local sources of revenue that support the appropriations in each of
23 the line items in part 1.

24 (2) Upon the release of the next fiscal year executive budget
25 recommendation, the department shall report to the same parties in
26 subsection (1) on the amounts and detailed sources of federal,
27 restricted, private, and local revenue proposed to support the

1 total funds appropriated in each of the line items in part 1 of the
2 next fiscal year executive budget proposal.

3 Sec. 213. The state departments, agencies, and commissions
4 receiving tobacco tax funds and Healthy Michigan fund revenue from
5 part 1 shall report by April 1 of the current fiscal year to the
6 senate and house appropriations committees, the senate and house
7 fiscal agencies, and the state budget director on the following:

8 (a) Detailed spending plan by appropriation line item
9 including description of programs and a summary of organizations
10 receiving these funds.

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

13 (c) Eligibility criteria for program participation and maximum
14 benefit levels where applicable.

15 (d) Outcome measures used to evaluate programs, including
16 measures of the effectiveness of these programs in improving the
17 health of Michigan residents.

18 (e) Any other information considered necessary by the house of
19 representatives or senate appropriations committees or the state
20 budget director.

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

27 (2) The department's ability to satisfy appropriation

1 deductions in part 1 shall not be limited to collections and
2 accruals pertaining to services provided in the current fiscal
3 year, but shall also include reimbursements, refunds, adjustments,
4 and settlements from prior years.

5 Sec. 218. The department shall include the following in its
6 annual list of proposed basic health services as required in part
7 23 of the public health code, 1978 PA 368, MCL 333.2301 to
8 333.2321:

9 (a) Immunizations.

10 (b) Communicable disease control.

11 (c) Sexually transmitted disease control.

12 (d) Tuberculosis control.

13 (e) Prevention of gonorrhoea eye infection in newborns.

14 (f) Screening newborns for the conditions listed in section
15 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
16 recommended by the newborn screening quality assurance advisory
17 committee created under section 5430 of the public health code,
18 1978 PA 368, MCL 333.5430.

19 (g) Community health annex of the Michigan emergency
20 management plan.

21 (h) Prenatal care.

22 Sec. 219. (1) The department may contract with the Michigan
23 Public Health Institute for the design and implementation of
24 projects and for other public health-related activities prescribed
25 in section 2611 of the public health code, 1978 PA 368, MCL
26 333.2611. The department may develop a master agreement with the
27 Institute to carry out these purposes for up to a 3-year period.

1 The department shall report to the house and senate appropriations
2 subcommittees on community health, the house and senate fiscal
3 agencies, and the state budget director on or before January 1 of
4 the current fiscal year all of the following:

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

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

9 (c) The expected project duration.

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

13 (2) On or before September 30 of the current fiscal year, the
14 department shall provide to the same parties listed in subsection
15 (1) a copy of all reports, studies, and publications produced by
16 the Michigan Public Health Institute, its subcontractors, or the
17 department with the funds appropriated in part 1 and allocated to
18 the Michigan Public Health Institute.

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

26 Sec. 252. The appropriations in part 1 for Healthy Michigan
27 plan-behavioral health, Healthy Michigan plan administration, and

1 Healthy Michigan plan are contingent on the provisions of the
2 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
3 contained in 2013 PA 107 not being amended, repealed, or otherwise
4 altered to eliminate the Healthy Michigan plan. If that occurs,
5 then, upon the effective date of the amendatory act that amends,
6 repeals, or otherwise alters those provisions, the remaining funds
7 in the Healthy Michigan plan-behavioral health, Healthy Michigan
8 plan administration, and Healthy Michigan plan line items shall
9 only be used to pay previously incurred costs and any remaining
10 appropriations shall not be allotted to support those line items.

11 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
12 state plan amendment, or a similar proposal to the Centers for
13 Medicare and Medicaid Services, the department shall notify the
14 house and senate appropriations subcommittees on community health,
15 the house and senate fiscal agencies, and the state budget office
16 of the submission.

17 (2) The department shall provide written or verbal biannual
18 reports to the senate and house appropriations subcommittees on
19 community health, the senate and house fiscal agencies, and the
20 state budget office summarizing the status of any new or ongoing
21 discussions with the Centers for Medicare and Medicaid Services or
22 the United States Department of Health and Human Services regarding
23 potential or future Medicaid waiver applications.

24 (3) The department shall inform the senate and house
25 appropriations subcommittees on community health and the senate and
26 house fiscal agencies of any alterations or adjustments made to the
27 published plan for integrated care for individuals who are eligible

1 for both Medicare and Medicaid when the final version of the plan
2 has been submitted to the federal Centers for Medicare and Medicaid
3 Services or the United States Department of Health and Human
4 Services.

5 Sec. 266. The departments and agencies receiving
6 appropriations in part 1 shall prepare a report on out-of-state
7 travel expenses not later than January 1 of each year. The travel
8 report shall be a listing of all travel by classified and
9 unclassified employees outside this state in the immediately
10 preceding fiscal year that was funded in whole or in part with
11 funds appropriated in the department's budget. The report shall be
12 submitted to the senate and house appropriations committees, the
13 house and senate fiscal agencies, and the state budget director.
14 The report shall include the following information:

15 (a) The dates of each travel occurrence.

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

21 Sec. 267. The department shall not take disciplinary action
22 against an employee for communicating with a member of the
23 legislature or his or her staff.

24 Sec. 270. The department shall advise the legislature of the
25 receipt of a notification from the attorney general's office of a
26 legal action in which expenses had been recovered pursuant to
27 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,

1 or any other statute under which the department has the right to
2 recover expenses. By November 1 and May 1 of the current fiscal
3 year, the department shall submit a written report to the house and
4 senate appropriations subcommittees on community health, the house
5 and senate fiscal agencies, and the state budget office which
6 includes, at a minimum, all of the following:

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

8 (b) The program or service for which the money was originally
9 expended.

10 (c) Details on the disposition of the funds recovered such as
11 the appropriation or revenue account in which the money was
12 deposited.

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

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

20 Sec. 287. Not later than November 30, the state budget office
21 shall prepare and transmit a report that provides for estimates of
22 the total general fund/general purpose appropriation lapses at the
23 close of the prior fiscal year. This report shall summarize the
24 projected year-end general fund/general purpose appropriation
25 lapses by major departmental program or program areas. The report
26 shall be transmitted to the chairpersons of the senate and house
27 appropriations committees, and the senate and house fiscal

1 agencies.

2 Sec. 288. (1) Beginning October 1 of the current fiscal year,
3 no less than 90% of a new department contract supported solely from
4 state restricted funds or general fund/general purpose funds and
5 designated in this part or part 1 for a specific entity for the
6 purpose of providing services to individuals shall be expended for
7 such services after the first year of the contract.

8 (2) The department may allow a contract to exceed the
9 limitation on administrative and services costs if it can be
10 demonstrated that an exception should be made to the provision in
11 subsection (1).

12 (3) By September 30 of the current fiscal year, the department
13 shall report to the house and senate appropriations subcommittees
14 on community health, house and senate fiscal agencies, and state
15 budget office on the rationale for all exceptions made to the
16 provision in subsection (1) and the number of contracts terminated
17 due to violations of subsection (1).

18 Sec. 290. On a quarterly basis, the department shall report on
19 the status of the merger, executed under Executive Order No. 2015-
20 4, of the department of community health and the department of
21 human services to create the department of health and human
22 services. The department shall provide the report to the house and
23 senate appropriations subcommittees on community health, the house
24 and senate appropriations subcommittees on human services, and the
25 house and senate fiscal agencies. The report must include, but not
26 be limited to, the current status of FTE positions, facilities in
27 use, services including restructuring or consolidation,

1 efficiencies, and estimated savings or costs associated with the
2 merger. The report must indicate changes from the prior report.

3 Sec. 292. The department shall cooperate with the department
4 of technology, management, and budget to maintain a searchable
5 website accessible by the public at no cost that includes, but is
6 not limited to, all of the following for each department or agency:

7 (a) Fiscal year-to-date expenditures by category.

8 (b) Fiscal year-to-date expenditures by appropriation unit.

9 (c) Fiscal year-to-date payments to a selected vendor,
10 including the vendor name, payment date, payment amount, and
11 payment description.

12 (d) The number of active department employees by job
13 classification.

14 (e) Job specifications and wage rates.

15 Sec. 296. Within 14 days after the release of the executive
16 budget recommendation, the department shall cooperate with the
17 state budget office to provide the senate and house appropriations
18 chairs, the senate and house appropriations subcommittees chairs,
19 and the senate and house fiscal agencies with an annual report on
20 estimated state restricted fund balances, state restricted fund
21 projected revenues, and state restricted fund expenditures for the
22 fiscal years ending September 30, 2015 and September 30, 2016.

23 Sec. 297. Total authorized appropriations from all sources
24 under part 1 for legacy costs for the fiscal year ending September
25 30, 2016 are \$87,425,100.00. From this amount, total agency
26 appropriations for pension-related legacy costs are estimated at
27 \$49,623,700.00. Total agency appropriations for retiree health care

1 legacy costs are estimated at \$37,801,400.00.

2 Sec. 298. From the funds appropriated in part 1 for the
3 Michigan Medicaid information system line item, \$20,000,000.00 in
4 private revenue will be allocated for the Michigan-Illinois
5 alliance Medicaid management information systems project.

6 Sec. 299. No state department or agency shall issue a request
7 for proposal (RFP) for a contract in excess of \$5,000,000.00,
8 unless the department or agency has first considered issuing a
9 request for information (RFI) or a request for qualification (RFQ)
10 relative to that contract to better enable the department or agency
11 to learn more about the market for the products or services that
12 are the subject of the RFP. The department or agency shall notify
13 the department of technology, management, and budget of the
14 evaluation process used to determine if an RFI or RFQ was not
15 necessary prior to issuing the RFP.

16 **BEHAVIORAL HEALTH SERVICES**

17 Sec. 401. Funds appropriated in part 1 are intended to support
18 a system of comprehensive community mental health services under
19 the full authority and responsibility of local CMHSPs or PIHPs in
20 accordance with the mental health code, 1974 PA 258, MCL 330.1001
21 to 330.2106, the Medicaid provider manual, federal Medicaid
22 waivers, and all other applicable federal and state laws.

23 Sec. 402. (1) From funds appropriated in part 1, final
24 authorizations to CMHSPs or PIHPs shall be made upon the execution
25 of contracts between the department and CMHSPs or PIHPs. The
26 contracts shall contain an approved plan and budget as well as

1 policies and procedures governing the obligations and
2 responsibilities of both parties to the contracts. Each contract
3 with a CMHSP or PIHP that the department is authorized to enter
4 into under this subsection shall include a provision that the
5 contract is not valid unless the total dollar obligation for all of
6 the contracts between the department and the CMHSPs or PIHPs
7 entered into under this subsection for the current fiscal year does
8 not exceed the amount of money appropriated in part 1 for the
9 contracts authorized under this subsection.

10 (2) The department shall immediately report to the senate and
11 house appropriations subcommittees on the department budget, the
12 senate and house fiscal agencies, and the state budget director if
13 either of the following occurs:

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

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

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

21 Sec. 403. (1) From the funds appropriated in part 1 for mental
22 health services for special populations, the department may require
23 each contractor to provide data and information on performance-
24 related metrics. These metrics may include, but are not limited to,
25 all of the following:

26 (a) Each contractor or subcontractor shall have a mission that
27 is consistent with the purpose of multicultural integration

1 funding.

2 (b) Each contractor shall validate that any subcontractors
3 utilized within these appropriations share the same mission as the
4 lead agency receiving funding.

5 (c) Each contractor or subcontractor shall demonstrate cost-
6 effectiveness.

7 (d) Each contractor or subcontractor shall ensure its ability
8 to leverage private dollars to strengthen and maximize service
9 provision.

10 (e) Each contractor or subcontractor shall provide timely and
11 accurate reports regarding the number of clients served, units of
12 service provision, and ability to meet its stated goals.

13 (2) The department shall require an annual report from the
14 contractors that receive mental health services for special
15 populations funding. The annual report, due 60 days following the
16 end of the contract period, shall include specific information on
17 services and programs provided, the client base to which the
18 services and programs were provided, information on any wraparound
19 services provided, and the expenditures for those services. The
20 department shall provide the annual reports to the senate and house
21 appropriations subcommittees on the department budget, the senate
22 and house fiscal agencies, and the state budget office.

23 (3) The department shall convene a workgroup to discuss and
24 make recommendations on including accreditation in the contractor
25 specifications and potentially moving toward competitive bidding.
26 Each contractor required to provide data per this section shall be
27 invited to participate in the workgroup.

1 Sec. 404. (1) Not later than May 31 of the current fiscal
2 year, the department shall provide a report on the CMHSPs, PIHPs,
3 regional entities designated by the department as PIHPs, and
4 managing entities for substance use disorders to the members of the
5 house and senate appropriations subcommittees on the department
6 budget, the house and senate fiscal agencies, and the state budget
7 director that includes the information required by this section.

8 (2) The report shall contain information for each CMHSP, PIHP,
9 regional entity designated by the department as a PIHP, and
10 managing entity for substance use disorders and a statewide
11 summary, each of which shall include at least the following
12 information:

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

16 (b) Per capita expenditures by client population group and
17 cultural and ethnic groups of the services area, including the deaf
18 and hard of hearing population.

19 (c) Financial information that, minimally, includes a
20 description of funding authorized; expenditures by client group and
21 fund source; and cost information by Medicaid and Healthy Michigan
22 plan service category, including administration and funds specified
23 for all outside contracts for services and products. Financial
24 information must include the amount of funding, from each fund
25 source, used to cover clinical services and supports. Service
26 category includes all department-approved services. General fund
27 expenditures should reflect those funds used to cover uninsured

1 individuals including Medicaid spenddowns.

2 (d) Data describing service outcomes that include, but are not
3 limited to, an evaluation of consumer satisfaction, consumer
4 choice, and quality of life concerns including, but not limited to,
5 housing and employment.

6 (e) Information about access to community mental health
7 services programs that includes, but is not limited to, the
8 following:

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

10 (ii) The number of people who requested services but did not
11 receive services.

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

14 (g) An analysis of information provided by CMHSPs in response
15 to the needs assessment requirements of the mental health code,
16 1974 PA 258, MCL 330.1001 to 330.2106.

17 (h) Lapses and carryforwards during the immediately preceding
18 fiscal year for CMHSPs, PIHPs, regional entities designated by the
19 department as PIHPs, and managing entities for substance use
20 disorders.

21 (i) Information about contracts for both administrative and
22 mental health services entered into by CMHSPs, PIHPs, regional
23 entities designated by the department as PIHPs, and managing
24 entities for substance use disorders with providers and others,
25 including, but not limited to, all of the following:

26 (i) The amount of the contract, organized by type of service
27 provided.

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

2 (iii) Administrative costs, including contract and consultant
3 costs, for services provided to CMHSPs, PIHPs, regional entities
4 designated by the department as PIHPs, and managing entities for
5 substance use disorders.

6 (j) Information on the community mental health Medicaid
7 managed care and Healthy Michigan plan programs, including, but not
8 limited to, the following:

9 (i) Expenditures by each CMHSP, PIHP, regional entity
10 designated by the department as a PIHP, and managing entity for
11 substance use disorders organized by Medicaid eligibility group,
12 including per eligible individual expenditure averages.

13 (ii) Expenditures on, and utilization of, each Medicaid and
14 Healthy Michigan plan service category by each CMHSP, PIHP,
15 regional entity designated by the department as a PIHP, and
16 managing entity for substance use disorders.

17 (iii) Performance indicator information required to be
18 submitted to the department in the contracts with CMHSPs, PIHPs,
19 regional entities designated by the department as PIHPs, and
20 managing entities for substance use disorders.

21 (k) Administrative expenditures of each CMHSP, PIHP, regional
22 entity designated by the department as a PIHP, and managing entity
23 for substance use disorders that includes a breakout of the salary,
24 benefits, and pension of each executive level staff and shall
25 include the director, chief executive, and chief operating officers
26 and other members identified as executive staff.

27 (3) The department shall include data reporting requirements

1 listed in subsection (2) in the annual contract with each
2 individual CMHSP, PIHP, regional entity designated by the
3 department as a PIHP, and managing entity for substance use
4 disorders.

5 (4) The department shall take all reasonable actions to ensure
6 that the data required are complete and consistent among all
7 CMHSPs, PIHPs, regional entities designated by the department as
8 PIHPs, and managing entities for substance use disorders.

9 Sec. 406. (1) The funds appropriated in part 1 for the state
10 disability assistance substance use disorder services program shall
11 be used to support per diem room and board payments in substance
12 use disorder residential facilities. Eligibility of clients for the
13 state disability assistance substance use disorder services program
14 shall include needy persons 18 years of age or older, or
15 emancipated minors, who reside in a substance use disorder
16 treatment center.

17 (2) The department shall reimburse all licensed substance use
18 disorder programs eligible to participate in the program at a rate
19 equivalent to that paid by the department to adult foster care
20 providers. Programs accredited by department-approved accrediting
21 organizations shall be reimbursed at the personal care rate, while
22 all other eligible programs shall be reimbursed at the domiciliary
23 care rate.

24 Sec. 407. (1) The amount appropriated in part 1 for substance
25 use disorder prevention, education, and treatment grants shall be
26 expended to coordinate care and services provided to individuals
27 with severe and persistent mental illness and substance use

1 disorder diagnoses.

2 (2) The department shall approve managing entity fee schedules
3 for providing substance use disorder services and charge
4 participants in accordance with their ability to pay.

5 (3) The managing entity shall continue current efforts to
6 collaborate on the delivery of services to those clients with
7 mental illness and substance use disorder diagnoses with the goal
8 of providing services in an administratively efficient manner.

9 Sec. 408. (1) By April 1 of the current fiscal year, the
10 department shall report the following data from the prior fiscal
11 year on substance use disorder prevention, education, and treatment
12 programs to the senate and house appropriations subcommittees on
13 the department budget, the senate and house fiscal agencies, and
14 the state budget office:

15 (a) Expenditures stratified by department-designated community
16 mental health entity, by central diagnosis and referral agency, by
17 fund source, by subcontractor, by population served, and by service
18 type. Additionally, data on administrative expenditures by
19 department-designated community mental health entity shall be
20 reported.

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

23 (c) Number of services provided by central diagnosis and
24 referral agency, by subcontractor, and by service type.
25 Additionally, data on length of stay, referral source, and
26 participation in other state programs.

27 (d) Collections from other first- or third-party payers,

1 private donations, or other state or local programs, by department-
2 designated community mental health entity, by subcontractor, by
3 population served, and by service type.

4 (2) The department shall take all reasonable actions to ensure
5 that the required data reported are complete and consistent among
6 all department-designated community mental health entities.

7 Sec. 410. The department shall assure that substance use
8 disorder treatment is provided to applicants and recipients of
9 public assistance through the department who are required to obtain
10 substance use disorder treatment as a condition of eligibility for
11 public assistance.

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

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

27 Sec. 412. The department shall contract directly with the

1 Salvation Army harbor light program to provide non-Medicaid
2 substance use disorder services.

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

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

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

22 (b) A PIHP shall state in writing to the health professional
23 or facility any defect in the claim within 30 days after receipt of
24 the claim.

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

1 the claim within 30 days after the defect is corrected.

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

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

16 Sec. 458. Medicaid services shall include treatment for autism
17 spectrum disorders as defined in the federally approved Medicaid
18 state plan. Such alternatives may be coordinated with the Medicaid
19 health plans and the Michigan Association of Health Plans.

20 Sec. 460. The department shall allocate funds appropriated in
21 part 1 for university autism programs through a grant process for
22 the purpose of increasing the number of applied behavioral analysis
23 therapists, autism diagnostic centers, autism treatment centers,
24 and employment programs, and to increase the autism clinical
25 expertise of health care providers.

26 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
27 PIHP, or subcontracting provider agency is reviewed and accredited

1 by a national accrediting entity for behavioral health care
2 services, the department, by April 1 of the current fiscal year,
3 shall consider that CMHSP, PIHP, or subcontracting provider agency
4 in compliance with state program review and audit requirements that
5 are addressed and reviewed by that national accrediting entity.

6 (2) By June 1 of the current fiscal year, the department shall
7 report to the house and senate appropriations subcommittees on the
8 department budget, the house and senate fiscal agencies, and the
9 state budget office all of the following:

10 (a) A list of each CMHSP, PIHP, and subcontracting provider
11 agency that is considered in compliance with state program review
12 and audit requirements under subsection (1).

13 (b) For each CMHSP, PIHP, or subcontracting provider agency
14 described in subdivision (a), all of the following:

15 (i) The state program review and audit requirements that the
16 CMHSP, PIHP, or subcontracting provider agency is considered in
17 compliance with.

18 (ii) The national accrediting entity that reviewed and
19 accredited the CMHSP, PIHP, or subcontracting provider agency.

20 (3) The department shall continue to comply with state and
21 federal law and shall not initiate an action that negatively
22 impacts beneficiary safety.

23 (4) As used in this section, "national accrediting entity"
24 means the Joint Commission, formerly known as the Joint Commission
25 on Accreditation of Healthcare Organizations, the Commission on
26 Accreditation of Rehabilitation Facilities, the Council on
27 Accreditation, the URAC, formerly known as the Utilization Review

1 Accreditation Commission, the National Committee for Quality
2 Assurance, or other appropriate entity, as approved by the
3 department.

4 Sec. 495. From the funds appropriated in part 1 for behavioral
5 health program administration, \$4,350,000.00 is intended to address
6 the recommendations of the mental health diversion council.

7 Sec. 497. The population data used in determining the
8 distribution of substance use disorder block grant funds shall be
9 from the most recent federal census.

10 Sec. 498. For distribution of state general funds to CMHSPs,
11 if the department decides to use census data, the department shall
12 use the most recent federal decennial census data available.

13 Sec. 502. (1) The department shall continue developing an
14 outreach program on fetal alcohol syndrome services.

15 (2) The department shall explore federal grant funding to
16 address prevention services for fetal alcohol syndrome and reduce
17 alcohol consumption among pregnant women.

18 Sec. 503. The department shall notify the Michigan Association
19 of Community Mental Health Boards when developing policies and
20 procedures that will impact PIHPs or CMHSPs.

21 Sec. 504. (1) The department shall continue to work with the
22 workgroup created to make recommendations to achieve more
23 uniformity in capitation payments made to the PIHPs.

24 (2) The department shall provide the workgroup's progress
25 report to the senate and house appropriations subcommittees on the
26 department budget, the senate and house fiscal agencies, and the
27 state budget director by March 1 of the current fiscal year.

1 Sec. 505. For the purposes of special projects involving high-
2 need children or adults, including the not guilty by reason of
3 insanity population, the department may contract directly with
4 providers of services to these identified populations.

5 Sec. 506. No later than June 1 of the current fiscal year, the
6 department shall provide the house and senate appropriations
7 subcommittees on the department budget, the house and senate fiscal
8 agencies, and the state budget office with the most recent cost
9 data information submitted by the CMHSPs on how the funds
10 appropriated in part 1 for the community mental health services
11 non-Medicaid services line item were expended by each CMHSP. At a
12 minimum, the information must include CMHSPs general fund/general
13 purpose costs for each of the following categories: administration,
14 prevention, jail diversion and treatment services, MIChild program,
15 children's waiver home care program, children with serious
16 emotional disturbance waiver program, services provided to
17 individuals with mental illness and developmental disabilities who
18 are not eligible for Medicaid, and the Medicaid spenddown
19 population.

20 Sec. 507. (1) From the funds appropriated in part 1 for
21 behavioral health program administration, the department shall
22 establish a psychiatric residential treatment facility and
23 children's behavioral action team. These services will augment the
24 continuum of behavioral health services for high-need youth and
25 provide additional continuity of care and transition into
26 supportive community-based services.

27 (2) Outcomes and performance measures for this initiative

1 include, but are not limited to, the following:

2 (a) The rate of rehospitalization for youth served through the
3 program at 30 and 180 days.

4 (b) Measured change in the Child and Adolescent Functional
5 Assessment Scale for children served through the program.

6 Sec. 508. The PIHP shall do all of the following:

7 (a) Work to reduce administration costs by ensuring that PIHP
8 responsible functions are efficient to allow optimal transition of
9 dollars to direct services. This process must include limiting
10 duplicate layers of administration and minimizing PIHP-delegated
11 services that may result in higher costs or inconsistent service
12 delivery, or both.

13 (b) Take an active role in managing mental health care by
14 ensuring consistent and high-quality service delivery throughout
15 its network and promote a conflict-free care management
16 environment.

17 (c) Ensure that direct service rate variances are related to
18 the level of need or other quantifiable measures to ensure that the
19 most money possible reaches direct services.

20 (d) Whenever possible, promote fair and adequate direct care
21 reimbursement, including fair wages for direct service workers.

22 Sec. 509. (1) The department shall work with PIHP network
23 providers to analyze the workforce challenges of recruitment and
24 retention of staff who provide Medicaid-funded community living
25 supports, personal care services, respite services, skill building
26 services, and other similar supports and services. The department
27 workgroup must consider ways to attract and retain staff to provide

1 Medicaid-funded supports and services.

2 (2) The department workgroup must include PIHP providers,
3 CMHSPs, individuals with disabilities, and staff.

4 (3) The department shall provide a status report on the
5 workgroup's suggestions to the senate and house appropriations
6 subcommittees on the department budget, the senate and house fiscal
7 agencies, and the state budget director, making note in the report
8 when the participants outlined in subsection (2) reached consensus
9 on the workgroup's suggestions and when the participants outlined
10 in subsection (2) had points of difference on the workgroup's
11 suggestions.

12 Sec. 510. (1) If the federal government allows the
13 redistribution of lapsed federal Medicaid match funds in the
14 Medicaid mental health services line, the funds appropriated in part
15 1 for Medicaid mental health services funds, which have lapsed,
16 shall be distributed to individual PIHPs based on the PIHP
17 distribution formula in effect during the current fiscal year.

18 (2) It is the intent of the legislature that any funds that
19 lapse from the funds appropriated in part 1 for Medicaid mental
20 health services shall be redistributed to individual CMHSPs based
21 on the community mental health non-Medicaid services distribution
22 formula in effect during the current fiscal year. By April 1 of the
23 current fiscal year, the department shall report to the house and
24 senate subcommittees on the department budget, the house and senate
25 fiscal agencies, and the state budget office on the lapse by PIHP
26 from the previous fiscal year and the projected lapse by PIHP in
27 the current fiscal year.

1 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

2 Sec. 601. The department shall continue a revenue recapture
3 project to generate additional revenues from third parties related
4 to cases that have been closed or are inactive. A portion of
5 revenues collected through project efforts may be used for
6 departmental costs and contractual fees associated with these
7 retroactive collections and to improve ongoing departmental
8 reimbursement management functions.

9 Sec. 602. The purpose of gifts and bequests for patient living
10 and treatment environments is to use additional private funds to
11 provide specific enhancements for individuals residing at state-
12 operated facilities. Use of the gifts and bequests shall be
13 consistent with the stipulation of the donor. The expected
14 completion date for the use of gifts and bequests donations is
15 within 3 years unless otherwise stipulated by the donor.

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

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

1 (3) Four months after the certification of closure required in
2 section 19(6) of the state employees' retirement act, 1943 PA 240,
3 MCL 38.19, the department shall provide a closure plan to the house
4 and senate appropriations subcommittees on the department budget
5 and the state budget director.

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

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

20 Sec. 608. Effective October 1 of the current fiscal year, the
21 department, in consultation with the department of technology,
22 management, and budget, may maintain a bid process to identify 1 or
23 more private contractors to provide food service and custodial
24 services for the administrative areas at any state hospital
25 identified by the department as capable of generating savings
26 through the outsourcing of such services.

1 **PUBLIC HEALTH ADMINISTRATION**

2 Sec. 651. The department shall work with the Michigan health
3 endowment fund corporation established under section 653 of the
4 nonprofit health care corporation reform act, 1980 PA 350, MCL
5 550.1653, to explore ways to fund and evaluate current and future
6 policies and programs.

7 Sec. 654. From the funds appropriated in part 1 for health and
8 wellness initiatives, \$1,000,000.00 shall be allocated for a school
9 children's healthy exercise program to promote and advance physical
10 health for school children in kindergarten through grade 8. The
11 department shall recommend model programs for sites to implement
12 that incorporate evidence-based best practices. The department
13 shall grant no less than 1/2 of the funds appropriated in part 1
14 for before- and after-school programs. The department shall
15 establish guidelines for program sites, which may include schools,
16 community-based organizations, private facilities, recreation
17 centers, or other similar sites. The program format shall encourage
18 local determination of site activities and shall encourage local
19 inclusion of youth in the decision-making regarding site
20 activities. Program goals shall include children experiencing
21 improved physical health and access to physical activity
22 opportunities, the reduction of obesity, providing a safe place to
23 play and exercise, and nutrition education. To be eligible to
24 participate, program sites shall provide a 20% match to the state
25 funding, which may be provided in full, or in part, by a
26 corporation, foundation, or private partner. The department shall
27 seek financial support from corporate, foundation, or other private

1 partners for the program or for individual program sites.

2 Sec. 655. The department shall establish criteria for all
3 funds allocated under part 1 for health and wellness initiatives.
4 The criteria must include a requirement that all programs funded be
5 evidence-based and supported by research, include interventions
6 that have been shown to demonstrate outcomes that lower cost and
7 improve quality, and be designed for statewide impact. Preference
8 must be given to programs that utilize the funding as match for
9 additional resources including, but not limited to, federal
10 sources.

11 HEALTH POLICY

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" means nonprofit organizations
17 that use volunteer health professionals to provide care to
18 uninsured 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. 715. The department shall continue to seek means to
23 increase retention of Michigan medical school students for
24 completion of their primary care residency requirements within this
25 state and ultimately, for some period of time, to remain in this
26 state and serve as primary care physicians. The department is

1 encouraged to work with Michigan institutions of higher education.

2 Sec. 717. The department may award health innovation grants to
3 address emerging issues and encourage cutting edge advances in
4 health care including strategic partners in both the public and
5 private sectors.

6 Sec. 718. (1) From the funds appropriated in part 1 for health
7 policy administration, the department shall allocate the federal
8 state innovation model grant funding that supports implementation
9 of the health delivery system innovations detailed in this state's
10 "Reinventing Michigan's Health Care System: Blueprint for Health
11 Innovation" document. Over the next 4 years this initiative will
12 test new payment methodologies, support improved population health
13 outcomes, and support improved infrastructure for technology and
14 data sharing and reporting. The funds will be used to provide
15 financial support directly to regions participating in the model
16 test and to support statewide stakeholder guidance and technical
17 support.

18 (2) Outcomes and performance measures for the initiative under
19 subsection (1) include, but are not limited to, the following:

20 (a) Increasing the number of physician practices fulfilling
21 patient-centered medical home functions.

22 (b) Reducing inappropriate health utilization, specifically
23 reducing preventable emergency department visits, reducing the
24 proportion of hospitalizations for ambulatory sensitive conditions,
25 and reducing this state's 30-day hospital readmission rate.

26 (3) By March 1 and September 1 of the current fiscal year, the
27 department shall submit a written report to the house and senate

1 appropriations subcommittees on community health, the house and
2 senate fiscal agencies, and the state budget office on the status
3 of the program and progress made since the prior report.

4 (4) From the funds appropriated in part 1 for health policy
5 administration, any data aggregator created as part of the
6 allocation of the federal state innovation model grant funds must
7 meet the following standards:

8 (a) The primary purpose of the data aggregator must be to
9 increase the quality of health care delivered in this state, while
10 reducing costs.

11 (b) The data aggregator must be governed by a nonprofit
12 entity.

13 (c) All decisions regarding the establishment, administration,
14 and modification of the database must be made by an advisory board.
15 The membership of the advisory board must include the director of
16 the department or a designee of the director and representatives of
17 health carriers, consumers, and purchasers.

18 (d) The data aggregator must receive health care claims
19 information from, without limitation, commercial health carriers,
20 nonprofit health care corporations, health maintenance
21 organizations, and third party administrators that process claims
22 under a service contract.

23 (e) The data aggregator must use existing data sources and
24 technological infrastructure, to the extent possible.

25 Sec. 719. The department will take steps necessary to assure
26 that Indian Health Service, Tribal or Urban Indian Health Program
27 facilities that provide services under a contract with a Medicaid

1 managed care entity receive the maximum amount allowable under
2 federal law for Medicaid services.

3 Sec. 720. From the funds appropriated in part 1 for bone
4 marrow transplant registry, \$250,000.00 shall be allocated to
5 Michigan Blood, the partner of the match registry of the national
6 marrow donor program. The funds shall be used to offset ongoing
7 tissue typing expenses associated with donor recruitment and
8 collection services and to expand those services to better serve
9 the citizens of this state.

10 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

11 Sec. 851. From the funds appropriated in part 1 for the
12 healthy homes program, no less than \$1,750,000.00 shall be
13 allocated for lead abatement of homes.

14 Sec. 852. The department shall implement a plan designed to
15 improve Michigan's childhood and adolescent immunization rates. The
16 department shall engage organizations working to provide
17 immunizations and education about the value of vaccines, including,
18 but not limited to, statewide organizations representing health
19 care providers, local public health departments, child health
20 interest groups, and private foundations with a mission to increase
21 immunization rates.

22 Sec. 853. From the funds appropriated in part 1 for
23 immunization programs, for every \$4.00 in private matching funds
24 received, this state shall allocate \$1.00, up to \$500,000.00 in
25 state contributions, to provide and promote education about the
26 value of vaccines for infants and toddlers.

1 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

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

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

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

1 shall be provided in consultation with the department of
2 environmental quality.

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

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

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

10 Sec. 1001. From the funds appropriated in part 1 for
11 Alzheimer's disease in-home care pilot, \$150,000.00 is appropriated
12 for Alzheimer's disease services and shall be remitted to the
13 Alzheimer's association-Michigan chapters for the purpose of
14 carrying out a pilot project in Macomb, Monroe, and St. Joseph
15 Counties. The fiduciary for the funds is the Alzheimer's
16 association-greater Michigan chapter. The Alzheimer's association
17 shall provide enhanced services, including 24/7 helpline, continued
18 care consultation, and support groups, to individuals with
19 Alzheimer's disease or dementia and their families in the 3
20 counties, and partner with a Michigan public university to study
21 whether provision of such in-home support services significantly
22 delays the need for residential long-term care services for
23 individuals with Alzheimer's disease or dementia. The study must
24 also consider potential cost savings related to the delay of long-
25 term care services, if a delay is shown.

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

2 Sec. 1103. By January 3 of the current fiscal year the
3 department shall annually issue to the legislature, and to the
4 public on the Internet, a report providing estimated public funds
5 administered by the department for family planning, sexually
6 transmitted infection prevention and treatment, and pregnancies and
7 births, as well as demographics collected by the department as
8 voluntarily self-reported by individuals utilizing those services.
9 The department shall provide the actual expenditures by marital
10 status or, where actual expenditures are not available, shall
11 provide estimated expenditures by marital status. The department
12 may utilize the DCH-1426 application for health coverage and help
13 paying costs or any other official application for public
14 assistance for medical coverage to determine the actual or
15 estimated public expenditures based on marital status.

16 Sec. 1104. (1) Before April 1 of the current fiscal year, the
17 department shall submit a report to the house and senate fiscal
18 agencies and the state budget director on planned allocations from
19 the amounts appropriated in part 1 for local MCH services, prenatal
20 care outreach and service delivery support, family planning local
21 agreements, and pregnancy prevention programs. Using applicable
22 federal definitions, the report shall include information on all of
23 the following:

24 (a) Funding allocations.

25 (b) Actual number of women, children, and adolescents served
26 and amounts expended for each group for the immediately preceding
27 fiscal year.

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

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

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

10 Sec. 1106. Each family planning program receiving federal
11 title X family planning funds under 42 USC 300 to 300a-8 shall be
12 in compliance with all performance and quality assurance indicators
13 that the office of population affairs within the United States
14 Department of Health and Human Services specifies in the program
15 guidelines for project grants for family planning services. An
16 agency not in compliance with the indicators shall not receive
17 supplemental or reallocated funds.

18 Sec. 1107. The department shall not contract with an
19 organization which provides elective abortions, abortion
20 counseling, or abortion referrals, for services that are to be
21 funded with state restricted or state general fund/general purpose
22 funds appropriated in part 1 for family planning local agreements.
23 An organization under contract with the department shall not
24 subcontract with an organization which provides elective abortions,
25 abortion counseling, or abortion referrals, for services that are
26 to be funded with state restricted or state general fund/general
27 purpose funds appropriated in part 1 for family planning local

1 agreements.

2 Sec. 1108. The department shall not use state restricted funds
3 or state general funds appropriated in part 1 in the pregnancy
4 prevention program or family planning local agreements
5 appropriation line items for abortion counseling, referrals, or
6 services.

7 Sec. 1109. (1) From the amounts appropriated in part 1 for
8 dental programs, funds shall be allocated to the Michigan Dental
9 Association for the administration of a volunteer dental program
10 that provides dental services to the uninsured.

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

18 Sec. 1110. The department shall use revenue from mobile
19 dentistry facility permit fees received under section 21605 of the
20 public health code, 1978 PA 368, MCL 333.21605, to offset the cost
21 of the permit program.

22 Sec. 1136. From the funds appropriated in part 1 for prenatal
23 care outreach and service delivery support, \$50,000.00 shall be
24 allocated for a pregnancy and parenting support services program,
25 which program must promote childbirth, alternatives to abortion,
26 and grief counseling. The department shall establish a program with
27 a qualified contractor that will contract with qualified service

1 providers to provide free counseling, support, and referral
2 services to eligible women during pregnancy through 12 months after
3 birth. As appropriate, the goals for client outcomes shall include
4 an increase in client support, an increase in childbirth choice, an
5 increase in adoption knowledge, an improvement in parenting skills,
6 and improved reproductive health through abstinence education. The
7 contractor of the program shall provide for program training,
8 client educational material, program marketing, and annual service
9 provider site monitoring. The department shall submit a report to
10 the house and senate appropriations subcommittees on community
11 health and the house and senate fiscal agencies by April 1 of the
12 current fiscal year on the number of clients served.

13 Sec. 1137. From the funds appropriated in part 1 for prenatal
14 care outreach and service delivery support, not less than
15 \$500,000.00 of funding shall be allocated for evidence-based
16 programs to reduce infant mortality including nurse family
17 partnership programs. The funds shall be used for enhanced support
18 and education to nursing teams or other teams of qualified health
19 professionals, client recruitment in areas designated as
20 underserved for obstetrical and gynecological services and other
21 high-need communities, strategic planning to expand and sustain
22 programs, and marketing and communications of programs to raise
23 awareness, engage stakeholders, and recruit nurses.

24 Sec. 1138. The department shall allocate funds appropriated in
25 section 112 of part 1 for family, maternal, and children's health
26 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

27 Sec. 1139. The department shall continue to work jointly with

1 the department of human services, the Michigan state housing
2 development authority, and the joint task force established under
3 article IV of 2014 PA 252 to review housing rehabilitation, energy
4 and weatherization, and hazard abatement program policies and to
5 make recommendations for integrating and coordinating project
6 delivery with the goals of serving more families and achieving
7 better outcomes by maximizing state and federal resources. The
8 joint task force may provide recommendations to the departments.
9 Recommendations of the joint task force must give consideration to
10 best practices and cost effectiveness.

11 Sec. 1140. From the funds appropriated in part 1 for prenatal
12 care outreach and service delivery support, equal consideration
13 shall be given to all eligible evidence-based providers in all
14 regions in contracting for rural health visitation services.

15 Sec. 1141. The department shall spend any available work
16 project money to enhance services provided under the rural home
17 visitation program.

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

19 Sec. 1151. The women, infants, and children special
20 supplemental food and nutrition program shall encourage
21 participants to choose the lowest price product available at the
22 time of purchase. All products must satisfy nutritional
23 requirements of the federal program. The biannual food
24 authorization guidelines will be updated to reflect these changes.

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

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

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

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

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

9 (d) Provide human growth hormone to eligible patients.

10 Sec. 1205. From the funds appropriated in part 1 for medical
11 care and treatment, the department is authorized to spend those
12 funds for the continued development and expansion of telemedicine
13 capacity to allow families with children in the children's special
14 health care services program to access specialty providers more
15 readily and in a more timely manner.

16 **CRIME VICTIM SERVICES COMMISSION**

17 Sec. 1302. From the funds appropriated in part 1 for justice
18 assistance grants, the department shall continue to support
19 forensic nurse examiner programs to facilitate training for
20 improved evidence collection for the prosecution of sexual assault.
21 The funds shall be used for program coordination and training.

22 **AGING AND ADULT SERVICES AGENCY**

23 Sec. 1403. (1) By February 1 of the current fiscal year, the
24 aging and adult services agency shall require each region to report
25 to the aging and adult services agency and to the legislature home-

1 delivered meals waiting lists based upon standard criteria.

2 Determining criteria shall include all of the following:

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

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

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

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

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

13 Sec. 1417. The department shall provide to the senate and
14 house appropriations subcommittees on community health, senate and
15 house fiscal agencies, and state budget director a report by March
16 30 of the current fiscal year that contains all of the following:

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

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

22 Sec. 1421. From the funds appropriated in part 1 for community
23 services, \$1,100,000.00 shall be allocated to area agencies on
24 aging for locally determined needs.

25 **MEDICAL SERVICES ADMINISTRATION**

26 Sec. 1501. The unexpended funds appropriated in part 1 for the

1 electronic health records incentive program are considered work
2 project appropriations, and any unencumbered or unallotted funds
3 are carried forward into the following fiscal year. The following
4 is in compliance with section 451a(1) of the management and budget
5 act, 1984 PA 431, MCL 18.1451a:

6 (a) The purpose of the project to be carried forward is to
7 implement the Medicaid electronic health record program that
8 provides financial incentive payments to Medicaid health care
9 providers to encourage the adoption and meaningful use of
10 electronic health records to improve quality, increase efficiency,
11 and promote safety.

12 (b) The projects will be accomplished according to the
13 approved federal advanced planning document.

14 (c) The estimated cost of this project phase is identified in
15 the appropriation line item.

16 (d) The tentative completion date for the work project is
17 September 30, 2020.

18 Sec. 1502. The department shall spend available work project
19 revenue and any associated federal match to create and develop a
20 transparency database website. This funding is contingent upon
21 enactment of enabling legislation.

22 Sec. 1503. From the funds appropriated in part 1 for Healthy
23 Michigan plan administration, the department shall maintain an
24 accounting structure within the Michigan administrative information
25 network that will allow expenditures associated with the
26 administration of the Healthy Michigan plan to be identified.

27 Sec. 1505. By March 1 and September 1 of the current fiscal

1 year, the department shall submit a report to the senate and house
2 appropriations subcommittees on the department budget, the senate
3 and house fiscal agencies, and the state budget office including
4 both of the following:

5 (a) The department's projected annual increase in
6 reimbursement savings and cost offsets that will result from the
7 additional funds appropriated in part 1 for the office of inspector
8 general and third party liability efforts.

9 (b) The actual increase in reimbursement savings and cost
10 offsets that have resulted from the additional funds appropriated
11 in part 1 for the office of inspector general and third party
12 liability efforts.

13 **MEDICAL SERVICES**

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

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

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

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

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

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

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

16 (2) An applicant qualified as described in subsection (1)
17 shall be given a letter of authorization to receive Medicaid
18 covered services related to her pregnancy. All qualifying
19 applicants shall be entitled to receive all medically necessary
20 obstetrical and prenatal care without preauthorization from a
21 health plan. All claims submitted for payment for obstetrical and
22 prenatal care shall be paid at the Medicaid fee-for-service rate in
23 the event a contract does not exist between the Medicaid
24 participating obstetrical or prenatal care provider and the managed
25 care plan. The applicant shall receive a listing of Medicaid
26 physicians and managed care plans in the immediate vicinity of the
27 applicant's residence.

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

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

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

16 (6) The department shall mandate enrollment of women, whose
17 qualifying condition is pregnancy, into Medicaid managed care
18 plans.

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

23 Sec. 1611. (1) For care provided to medical services
24 recipients with other third-party sources of payment, medical
25 services reimbursement shall not exceed, in combination with such
26 other resources, including Medicare, those amounts established for
27 medical services-only patients. The medical services payment rate

1 shall be accepted as payment in full. Other than an approved
2 medical services co-payment, no portion of a provider's charge
3 shall be billed to the recipient or any person acting on behalf of
4 the recipient. Nothing in this section shall be considered to
5 affect the level of payment from a third-party source other than
6 the medical services program. The department shall require a
7 nonenrolled provider to accept medical services payments as payment
8 in full.

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

15 Sec. 1620. (1) For fee-for-service recipients who do not
16 reside in nursing homes, the pharmaceutical dispensing fee shall be
17 \$2.75 or the pharmacy's usual or customary cash charge, whichever
18 is less. For nursing home residents, the pharmaceutical dispensing
19 fee shall be \$3.00 or the pharmacy's usual or customary cash
20 charge, whichever is less.

21 (2) The department shall require a prescription co-payment for
22 Medicaid recipients not enrolled in the Healthy Michigan plan or
23 with an income less than 100% of the federal poverty level of \$1.00
24 for a generic drug and \$3.00 for a brand-name drug, except as
25 prohibited by federal or state law or regulation.

26 (3) The department shall require a prescription co-payment for
27 Medicaid recipients enrolled in the Healthy Michigan plan with an

1 income of at least 100% of the federal poverty level of \$4.00 for a
2 generic drug and \$8.00 for a brand-name drug, except as prohibited
3 by federal or state law or regulation.

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

8 Sec. 1631. (1) The department shall require co-payments on
9 dental, podiatric, and vision services provided to Medicaid
10 recipients, except as prohibited by federal or state law or
11 regulation.

12 (2) Except as otherwise prohibited by federal or state law or
13 regulation, the department shall require Medicaid recipients not
14 enrolled in the Healthy Michigan plan or with an income less than
15 100% of the federal poverty level to pay not less than the
16 following co-payments:

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

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

19 (c) Fifty dollars for the first day of an inpatient hospital
20 stay.

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

22 (3) Except as otherwise prohibited by federal or state law or
23 regulation, the department shall require Medicaid recipients
24 enrolled in the Healthy Michigan plan with an income of at least
25 100% of the federal poverty level to pay the following co-payments:

26 (a) Four dollars for a physician office visit.

27 (b) Eight dollars for a hospital emergency room visit.

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

3 (d) Four dollars for an outpatient hospital visit or any other
4 medical provider visit to the extent allowed by federal or state
5 law or regulation.

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

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

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

21 (3) Subsections (1) and (2) do not require an alteration to an
22 existing agreement between an HMO and its contracting hospitals and
23 do not require an HMO to reimburse for services that are not
24 considered to be medically necessary.

25 Sec. 1659. The following sections of this part are the only
26 ones that shall apply to the following Medicaid managed care
27 programs, including the comprehensive plan, MIChoice long-term care

1 plan, and the mental health, substance use disorder, and
2 developmentally disabled services program: 404, 411, 418, 428, 494,
3 508, 1607, 1657, 1662, 1699, 1764, 1806, 1807, 1809, 1810, 1820,
4 1850, and 1888.

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

10 (2) The department shall require Medicaid HMOs to provide
11 EPSDT utilization data through the encounter data system, and HEDIS
12 well child health measures in accordance with the National
13 Committee for Quality Assurance prescribed methodology.

14 (3) The department shall provide a copy of the analysis of the
15 Medicaid HMO annual audited HEDIS reports and the annual external
16 quality review report to the senate and house of representatives
17 appropriations subcommittees on the department budget, the senate
18 and house fiscal agencies, and the state budget director, within 30
19 days of the department's receipt of the final reports from the
20 contractors.

21 Sec. 1670. (1) The appropriation in part 1 for the MICHild
22 program is to be used to provide comprehensive health care to all
23 children under age 19 who reside in families with income at or
24 below 212% of the federal poverty level, who are uninsured and have
25 not had coverage by other comprehensive health insurance within 6
26 months of making application for MICHild benefits, and who are
27 residents of this state. The department shall develop detailed

1 eligibility criteria through the medical services administration
2 public concurrence process, consistent with the provisions of this
3 part and part 1.

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

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

16 (4) To be eligible for the MICHild program, a child must be
17 residing in a family with an adjusted gross income of less than or
18 equal to 212% of the federal poverty level. The department's
19 verification policy shall be used to determine eligibility.

20 (5) The department shall contract with Medicaid health plans
21 to provide physical health services to MICHild enrollees. The
22 department may continue to obtain physical health services for
23 MICHild enrollees from health maintenance organizations and
24 preferred provider organizations currently under contract for
25 whatever duration is needed as determined by the department. The
26 department shall contractually require that health plans pay out-
27 of-network providers at the department fee schedule. The department

1 shall contract with qualified dental plans to provide dental
2 coverage for MICHild enrollees.

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

5 (7) The department may make payments on behalf of children
6 enrolled in the MICHild program from the line-item appropriation
7 associated with the program as described in the MICHild state plan
8 approved by the United States Department of Health and Human
9 Services, or from other medical services.

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

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

17 (10) MICHild services shall include treatment for autism
18 spectrum disorders as defined in the federally approved Medicaid
19 state plan.

20 Sec. 1673. The department may establish premiums for MICHild
21 eligible individuals in families with income at or below 212% of
22 the federal poverty level. The monthly premiums shall be \$10.00 per
23 month.

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

1 necessary services:

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

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

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

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

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

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

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

19 (h) Emergency ambulance services.

20 Sec. 1682. (1) In addition to the appropriations in part 1,
21 the department is authorized to receive and spend penalty money
22 received as the result of noncompliance with medical services
23 certification regulations. Penalty money, characterized as private
24 funds, received by the department shall increase authorizations and
25 allotments in the long-term care accounts.

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

1 Sec. 1692. (1) The department is authorized to pursue
2 reimbursement for eligible services provided in Michigan schools
3 from the federal Medicaid program. The department and the state
4 budget director are authorized to negotiate and enter into
5 agreements, together with the department of education, with local
6 and intermediate school districts regarding the sharing of federal
7 Medicaid services funds received for these services. The department
8 is authorized to receive and disburse funds to participating school
9 districts pursuant to such agreements and state and federal law.

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

13 (a) Finance activities within the medical services
14 administration related to this project.

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

18 (c) Offset general fund costs associated with the medical
19 services program.

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

26 Sec. 1694. From the funds appropriated in part 1 for special
27 Medicaid reimbursement, \$386,700.00 of general fund/general purpose

1 revenue and any associated federal match shall be distributed for
2 poison control services to an academic health care system that
3 includes a children's hospital that has a high indigent care
4 volume.

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

12 (2) The department shall allocate \$45,000,000.00 in DSH
13 funding using the distribution methodology used in fiscal year
14 2003-2004.

15 (3) By September 30 of the current fiscal year, the department
16 shall report to the senate and house appropriations subcommittees
17 on the department budget, the senate and house fiscal agencies, and
18 the state budget office on the distribution of funding to each
19 eligible hospital from the GME and DSH pools.

20 Sec. 1724. The department shall allow licensed pharmacies to
21 purchase injectable drugs for the treatment of respiratory
22 syncytial virus for shipment to physicians' offices to be
23 administered to specific patients. If the affected patients are
24 Medicaid eligible, the department shall reimburse pharmacies for
25 the dispensing of the injectable drugs and reimburse physicians for
26 the administration of the injectable drugs.

27 Sec. 1730. (1) The department shall work with the department

1 of education to evaluate the feasibility of including an assessment
2 tool to promote literacy development of pregnant women and new
3 mothers in the maternal infant health program.

4 (2) By March 1 of the current fiscal year, the department
5 shall provide a report to the house and senate appropriations
6 subcommittees on the department budget, the house and senate fiscal
7 agencies, and the state budget office on the findings of the
8 feasibility study on including an assessment tool to promote
9 literacy development of pregnant women and new mothers in the
10 maternal infant health program.

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

15 Sec. 1764. The department shall annually certify whether rates
16 paid to Medicaid health plans and specialty prepaid inpatient
17 health plans are actuarially sound in accordance with federal
18 requirements and shall provide a copy of the rate certification and
19 approval of rates paid to Medicaid health plans and specialty
20 prepaid inpatient health plans within 5 business days after
21 certification or approval to the house and senate appropriations
22 subcommittees on the department budget and the house and senate
23 fiscal agencies. When calculating the annual actuarial soundness
24 adjustment, the department shall take into account all Medicaid
25 policy bulletins affecting Medicaid health plans or specialty
26 prepaid inpatient health plans issued after the most recent
27 actuarial soundness process concluded.

1 Sec. 1770. The department shall report to the senate and house
2 appropriations subcommittees on the department budget, the senate
3 and house fiscal agencies, and the state budget office information
4 on savings from the reduction in managed care laboratory services
5 fees enacted under Executive Order No. 2015-5 and continued in the
6 current fiscal year. This report shall include the actual gross
7 reduction in expenditures by Medicaid health plans that result from
8 the reduction in the laboratory services fees.

9 Sec. 1775. (1) By March 1 and September 1 of the current
10 fiscal year, the department shall report to the senate and house
11 appropriations subcommittees on the department budget, the senate
12 and house fiscal agencies, and the state budget office on progress
13 in implementing the waiver to implement managed care for
14 individuals who are eligible for both Medicare and Medicaid, known
15 as MI Health Link, including, but not limited to, a description of
16 how the department intends to ensure that service delivery is
17 integrated, how key components of the proposal are implemented
18 effectively, and any problems and potential solutions as identified
19 by the ombudsman described in subsection (2).

20 (2) The department shall ensure the existence of an ombudsman
21 program that is not associated with any project service manager or
22 provider to assist MI Health Link beneficiaries with navigating
23 complaint and dispute resolution mechanisms and to identify
24 problems in the demonstrations and in the complaint and dispute
25 resolution mechanisms.

26 Sec. 1800. For the distribution of each of the pools within
27 the \$85,000,000.00 outpatient disproportionate share hospital

1 payment, the department shall develop a formula for the
2 distribution of each pool based on the quality of care, cost,
3 traditional disproportionate share hospital factors such as
4 Medicaid utilization and uncompensated care, and any other factor
5 that the department determines should be considered. By May 1 of
6 the current fiscal year, the department shall report to the senate
7 and house appropriations subcommittees on the department budget,
8 the senate and house fiscal agencies, and the state budget office
9 on the distribution of each pool.

10 Sec. 1801. From the funds appropriated in part 1 for physician
11 services and health plan services, the department shall use
12 \$33,318,800.00 in general fund/general purpose plus associated
13 federal match to continue the increase to Medicaid rates for
14 primary care services provided only by primary care providers. For
15 the purpose of this section, a primary care provider is a
16 physician, or a practitioner working under the personal supervision
17 of a physician, who is board-eligible or certified with a specialty
18 designation of family medicine, general internal medicine, or
19 pediatric medicine, or a provider who provides the department with
20 documentation of equivalency. The department shall examine
21 including the subspecialty of neonatal medicine in its definition
22 of primary care provider. Providers performing a service and whose
23 primary practice is as a non-primary-care subspecialty is not
24 eligible for the increase. The department shall establish policies
25 that most effectively limit the increase to primary care providers
26 for primary care services only.

27 Sec. 1802. From the funds appropriated in part 1, a lump-sum

1 payment shall be made to hospitals that qualified for rural
2 hospital access payments in fiscal year 2013-2014 and that provide
3 obstetrical care in the current fiscal year. The payment shall be
4 calculated as \$830.00 for each obstetrical care case payment and
5 each newborn care case payment for all such cases billed by the
6 qualified hospitals for fiscal year 2012-2013 and shall be paid
7 through the Medicaid health plan hospital rate adjustment process
8 by January 1 of the current fiscal year.

9 Sec. 1804. The department, in cooperation with the department
10 of military and veterans affairs, shall work with the federal
11 public assistance reporting information system to identify Medicaid
12 recipients who are veterans and who may be eligible for federal
13 veterans health care benefits or other benefits.

14 Sec. 1805. Hospitals receiving medical services payments for
15 graduate medical education shall submit fully completed quality
16 data to the same national nonprofit organization with extensive
17 experience in collecting and reporting hospital quality data on a
18 public website. The reporting must utilize consensus-based
19 nationally endorsed standards that meet National Quality Forum-
20 endorsed safe practices. The organization collecting the data must
21 be one that uses severity-adjusted risk models and measures that
22 will help patients and payers identify hospital campuses likely to
23 have superior outcomes. The department shall withhold a hospital's
24 fourth quarter graduate medical education payment until the
25 hospital submits the data to the qualifying nonprofit organization
26 described in this section.

27 Sec. 1806. (1) The contracts for Medicaid health plans that

1 will be effective January 1, 2016 must include a provision that
2 requires the cooperation and participation in a workgroup that
3 develops and implements a common formulary that will be used by all
4 contracting Medicaid health plans. The department shall convene the
5 workgroup, make final decisions, and consult with health plans and
6 other organizations as this requirement is implemented.

7 (2) The department may establish performance standards to
8 measure progress in the implementation of the common formulary.

9 (3) The ongoing implementation of the common formulary must
10 include consideration of the department's preferred drug list.

11 (4) To achieve the objective of low net cost, the contracted
12 health plans may use evidence-based utilization management
13 techniques in the development and implementation of the common
14 formulary.

15 (5) The contracted health plans and the department shall
16 continue to facilitate and emphasize the value of increased
17 participation in the use of e-prescribing and electronic medical
18 records.

19 Sec. 1807. The process and results from the request for
20 proposals for the comprehensive health plan contract for this
21 state's Medicaid health plans must assure a fair, transparent and
22 deliberative process that emphasizes the value of choice and access
23 for beneficiaries.

24 Sec. 1809. The department shall establish separate contract
25 performance standards for Medicaid health plans that adhere to the
26 requirements of section 105d of the social welfare act, 1939 PA
27 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation

1 withhold. The determination of the performance of the 0.75%
2 capitation withhold is at the discretion of the department but must
3 include recognized concepts such as 1-year continuous enrollment
4 and the HEDIS audited data. The determination of the performance of
5 the 0.25% capitation withhold is at the discretion of the
6 department but must include recognized concepts such as encouraging
7 the utilization of high-value services and discouraging the
8 utilization of low-value services.

9 Sec. 1810. The department shall enhance encounter data
10 reporting processes and develop rules that would make each health
11 plan's encounter data as complete as possible, provide a fair
12 measure of acuity for each health plan's enrolled population for
13 risk adjustment purposes, capitation rate setting, diagnosis-
14 related group rate setting, and research and analysis of program
15 efficiencies while minimizing health plan administrative expense.

16 Sec. 1812. (1) By June 1 of the current fiscal year, the
17 department shall require each hospital that receives funds
18 appropriated in part 1 for graduate medical education to submit a
19 report disclosing all direct and indirect costs associated with the
20 residency training program to the department, the house and senate
21 appropriations subcommittees on the department budget, and the
22 house and senate fiscal agencies.

23 (2) By August 1 of the current fiscal year, the department
24 shall require each hospital that receives funds appropriated in
25 part 1 for graduate medical education to submit a report
26 identifying and explaining the following:

27 (a) The marginal cost to add 1 additional residency training

1 program slot.

2 (b) The number of additional slots that would result in the
3 need to add additional administrative costs to oversee the
4 residents in the training program.

5 (c) The postresidency retention rate for the residency
6 training program.

7 (3) The department shall hold graduate medical education
8 recipients' fourth quarter payments until the submission of the
9 information required in subsections (1) and (2).

10 (4) The department shall convene a workgroup to use the
11 reports submitted under subsections (1) and (2) to assist in the
12 development of metrics for distribution of graduate medical
13 education funds and shall report to the senate and house
14 appropriations subcommittees on the department budget and the
15 senate and house fiscal agencies on the results of the workgroup by
16 September 30 of the current fiscal year. It is the intent of the
17 legislature that, beginning with the budget for the fiscal year
18 ending September 30, 2017, the metrics developed by this workgroup
19 be used to determine the distribution of funds for graduate medical
20 education.

21 (5) If needed, the department shall seek a federal waiver to
22 fulfill the requirements of this section.

23 Sec. 1820. (1) In order to avoid duplication of efforts, the
24 department shall utilize applicable national accreditation review
25 criteria to determine compliance with corresponding state
26 requirements for Medicaid health plans that have been reviewed and
27 accredited by a national accrediting entity for health care

1 services.

2 (2) The department shall continue to comply with state and
3 federal law and shall not initiate an action that negatively
4 impacts beneficiary safety.

5 (3) As used in this section, "national accrediting entity"
6 means the National Committee for Quality Assurance, the URAC,
7 formerly known as the Utilization Review Accreditation Commission,
8 or other appropriate entity, as approved by the department.

9 (4) By July 1 of the current fiscal year, the department shall
10 provide a progress report to the house and senate appropriations
11 subcommittees on the department budget, the house and senate fiscal
12 agencies, and the state budget office on implementation of this
13 section.

14 Sec. 1837. The department shall continue, and expand where
15 appropriate, utilization of telemedicine and telepsychiatry as
16 strategies to increase access to services for Medicaid recipients
17 in medically underserved areas.

18 Sec. 1846. From the funds appropriated in part 1 for graduate
19 medical education, the department shall distribute the funds with
20 an emphasis on the following health care workforce goals:

21 (a) The encouragement of the training of physicians in
22 specialties, including primary care, that are necessary to meet the
23 future needs of residents of this state.

24 (b) The training of physicians in settings that include
25 ambulatory sites and rural locations.

26 Sec. 1850. The department may allow Medicaid health plans to
27 assist with the redetermination process through outreach activities

1 to ensure continuation of Medicaid eligibility and enrollment in
2 managed care. This may include mailings, telephone contact, or
3 face-to-face contact with beneficiaries enrolled in the individual
4 Medicaid health plan. Health plans may offer assistance in
5 completing paperwork for beneficiaries enrolled in their plan.

6 Sec. 1861. The department shall encourage cooperation between
7 the Medicaid managed care health plans, other health providers, and
8 nonprofit entities to help facilitate a pilot nonemergency
9 transportation system.

10 Sec. 1862. From the funds appropriated in part 1, the
11 department shall maintain payment rates for Medicaid obstetrical
12 services at 95% of Medicare levels effective October 1, 2014.

13 Sec. 1866. (1) From the funds appropriated in part 1 for
14 hospital services and therapy and health plan services,
15 \$12,000,000.00 in general fund/general purpose revenue and any
16 associated federal match shall be awarded to hospitals that meet
17 criteria established by the department for services to low-income
18 rural residents. One of the reimbursement components of the
19 distribution formula shall be assistance with labor and delivery
20 services.

21 (2) No hospital or hospital system shall receive more than
22 10.0% of the total funding referenced in subsection (1).

23 (3) To allow hospitals to understand their rural payment
24 amounts under this section, the department shall provide hospitals
25 with the methodology for distribution under this section and
26 provide each hospital with its applicable data that are used to
27 determine the payment amounts by August 1 of the current fiscal

1 year. The department shall publish the distribution of payments for
2 the current fiscal year and the immediately preceding fiscal year.

3 (4) The department shall report to the senate and house
4 appropriations subcommittees on the department budget and the
5 senate and house fiscal agencies on the distribution of funds
6 referenced in subsection (1) by April 1 of the current fiscal year.

7 Sec. 1870. The department shall work in collaboration with
8 Michigan-based medical schools that choose to participate in the
9 creation of a graduate medical education consortium known as
10 MIDocs. The purpose of MIDocs is to develop freestanding residency
11 training programs in primary care and other ambulatory care-based
12 specialties. MIDocs shall design residency training programs to
13 address physician shortage needs in this state, including placing
14 physicians post-residency in underserved communities across this
15 state. MIDocs shall give special consideration to small and rural
16 hospitals with a GME program director. MIDocs' voting members will
17 include any Michigan-based university with a medical school or an
18 affiliated faculty practice physician group that is making a
19 substantial contribution to MIDocs programs. The department shall
20 be a permanent nonvoting member of MIDocs. The department, in
21 collaboration with MIDocs voting members, may also appoint
22 nonvoting members to MIDocs to represent various stakeholders. As
23 the sponsoring institution and fiduciary, MIDocs shall assure
24 initial and continued accreditation from the accreditation council
25 for graduate medical education or ACGME, financial accountability,
26 clinical quality, and compliance. The department shall require an
27 annual report from MIDocs detailing per resident costs for medical

1 training and clinical quality measures. The department shall create
2 MIDocs no later than January 10, 2015. MIDocs shall provide the
3 department with a report proposing the creation of new residency
4 programs and an actionable plan for retaining consortium related
5 students post-residency, especially in underserved communities. The
6 work project allocation from the fiscal year ending September 30,
7 2015 is allocated to prepare the report, legally create the
8 consortium, prepare to obtain ACGME accreditation, and develop new
9 residency programs.

10 Sec. 1883. For the purposes of more effectively managing
11 inpatient care for Medicaid health plans and Medicaid fee-for-
12 service, the department shall consider developing an appropriate
13 policy and rate for observation stays.

14 Sec. 1888. The department shall establish contract performance
15 standards associated with the capitation withhold provisions for
16 Medicaid health plans at least 3 months in advance of the
17 implementation of those standards. The determination of whether
18 performance standards have been met shall be based primarily on
19 recognized concepts such as 1-year continuous enrollment and the
20 healthcare effectiveness data and information set, HEDIS, audited
21 data.

22 Sec. 1890. From the funds appropriated in part 1 for
23 pharmaceutical services, the department shall ensure Medicaid
24 recipients access to breast pumps to support and encourage
25 breastfeeding. The department shall adjust Medicaid policy to, at a
26 minimum, provide an individual double electric style pump to a
27 breastfeeding mother when a physician prescribes such a device

1 based on diagnosis of mother or infant. If the distribution method
2 for pumps or other equipment is a department contract with durable
3 medical equipment providers, the department shall guarantee
4 providers stock and rent to Medicaid recipients without delay or
5 undue restriction.

6 Sec. 1894. (1) From the funds appropriated in part 1 for
7 dental services, the department shall expand the healthy kids
8 dental program to children who have not yet reached the age of 13
9 in Kent, Oakland, and Wayne Counties. This program expansion will
10 improve access to necessary dental services for Medicaid-enrolled
11 children.

12 (2) Outcomes and performance measures for the initiative under
13 subsection (1) include, but are not limited to, the following:

14 (a) The number of Medicaid-enrolled children under the age of
15 13 in Kent, Oakland, and Wayne Counties who visited the dentist in
16 the prior year.

17 (b) The number of dentists in Kent, Oakland, and Wayne
18 Counties who will accept Medicaid payment for services to children.

19 (c) The change in dental utilization in Kent, Oakland, and
20 Wayne Counties, before and after implementation.

21 (3) It is the intent of the legislature that the healthy kids
22 dental program be expanded in the fiscal year ending September 30,
23 2017 to cover additional children in Kent, Oakland, and Wayne
24 Counties.

25 Sec. 1899. From the funds appropriated in part 1 for personal
26 care services, the department shall maintain the personal care
27 services rate at the level in effect October 1, 2014.

1 **ONE-TIME BASIS ONLY APPROPRIATIONS**

2 Sec. 1906. (1) The department may initiate pay for success
3 pilot projects to identify and deliver services to improve outcomes
4 and lower costs for government services in this state. From the
5 funds appropriated in part 1 for pay for success contracts, the
6 department may initiate contracts with private and not-for-profit
7 vendors, selected through a competitive bid process, to implement
8 these pilot projects. Payments shall not be issued to funding
9 intermediaries or vendors until contractual performance measures
10 have been achieved and project savings have been confirmed by a
11 third-party evaluator, certified by the department, and approved by
12 the state budget director.

13 (2) Within 30 days, a copy of contracts executed pursuant to
14 this section shall be provided to the chairs of the senate and
15 house appropriations subcommittees on community health, the senate
16 and house fiscal agencies, and the state budget office.

17 (3) Unexpended funds appropriated in part 1 for pay for
18 success contracts are designated as work project appropriations,
19 and any unencumbered or unallotted funds shall not lapse at the end
20 of the fiscal year and shall be available for expenditures for the
21 pay for success contracts under this section until the projects
22 have been completed. All of the following are in compliance with
23 section 451a of the management and budget act, 1984 PA 431, MCL
24 18.1451a:

25 (a) The purpose of the projects is to coordinate cost-saving
26 projects to the state with public-private partnerships.

27 (b) The projects will be carried out through contracts with

1 private and not-for-profit vendors.

2 (c) The estimated cost of this work project is \$1,500,000.00.

3 (d) The estimated work project completion date is September
4 30, 2020.

5 Sec. 1907. (1) From the funds appropriated in part 1 for drug
6 policy initiatives, the department shall develop and begin
7 implementation of a comprehensive plan that addresses the problem
8 of drug abuse.

9 (2) Outcomes and performance measures for the new initiative
10 under subsection (1) include, but are not limited to, the
11 following:

12 (a) A decrease in the number of residents of this state aged
13 12 and older who have experienced substance dependence or abuse in
14 the past year.

15 (b) A decrease in the number of residents of this state who
16 have engaged in the nonmedical use of pain relievers or engaged in
17 binge alcohol use.

18 (3) The department shall not spend the funds appropriated in
19 part 1 for drug policy initiatives until a statewide plan on these
20 initiatives is issued by the governor and the statewide plan is
21 submitted to the senate and house appropriations subcommittees on
22 the department budget.

23 Sec. 1908. The funds appropriated in part 1 for hospice
24 services shall be expended to provide room and board for Medicaid
25 recipients who meet hospice eligibility requirements and receive
26 services at Medicaid enrolled hospice residences in this state. The
27 qualifying hospice residences must be enrolled with Medicaid by

1 October 1, 2014.

2 PART 2A
3 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
4 FOR FISCAL YEAR 2016-2017

5 **GENERAL SECTIONS**

6 Sec. 2001. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, 2017 for
8 the line items listed in part 1. The fiscal year 2016-2017
9 appropriations are anticipated to be the same as those for fiscal
10 year 2015-2016, except that the line items will be adjusted for
11 changes in caseload and related costs, federal fund match rates,
12 economic factors, and available revenue. These adjustments will be
13 determined after the January 2016 consensus revenue estimating
14 conference.

15 PART 2B
16 PROVISIONS CONCERNING APPROPRIATIONS
17 FOR FISCAL YEAR 2014-2015

18 **GENERAL SECTIONS**

19 Sec. 3001. Pursuant to section 30 of article IX of the state
20 constitution of 1963, total state spending from state resources
21 under part 1B for fiscal year 2014-2015 is \$25,982,000.00 and state
22 spending from state resources to be paid to local units of
23 government for fiscal year 2014-2015 is \$2,853,500.00. The itemized

1 statement below identifies appropriations from which spending to
 2 local units will occur:

3 DEPARTMENT OF COMMUNITY HEALTH

4	Medicaid mental health services.....	\$	3,181,400
5	Medical substance abuse services.....		<u>(327,900)</u>
6	TOTAL PAYMENTS TO LOCAL UNITS OF GOVERNMENT.....	\$	2,853,500

7 Sec. 3002. The appropriations authorized under this part and
 8 part 1B are subject to the management and budget act, 1984 PA 431,
 9 MCL 18.1101 to 18.1594.

10 Sec. 3003. The unexpended funds appropriated in part 1B for
 11 long-term health care services are considered work project
 12 appropriations, and any unencumbered or unallotted funds are
 13 carried forward into the following fiscal year. The following is in
 14 compliance with section 451a(1) of the management and budget act,
 15 1984 PA 431, MCL 18.1451a:

16 (a) The purpose of the project is to support a new psychiatry
 17 residency program to address the shortage of psychiatrists in this
 18 state.

19 (b) The project will be accomplished through grants.

20 (c) The estimated cost of this project is \$1,500,000.00.

21 (d) The tentative completion date for the work project is
 22 September 30, 2016.

23 Sec. 3004. The unexpended funds appropriated in article IV of
 24 2014 PA 252 for medical services administration are considered work
 25 project appropriations, and any unencumbered or unallotted funds
 26 are carried forward into the following fiscal year. The following
 27 is in compliance with section 451a(1) of the management and budget

1 act, 1984 PA 431, MCL 18.1451a:

2 (a) The purpose of the project is stated in section 1870 of
3 article IV of 2014 PA 252.

4 (b) The project will be accomplished through state employees
5 and contracts.

6 (c) The estimated cost of this project is \$500,000.00.

7 (d) The tentative completion date for the work project is
8 September 30, 2016.

9 Sec. 3005. The unexpended funds appropriated in article IV of
10 2014 PA 252 for prenatal care outreach and service delivery support
11 are considered work project appropriations, and any unencumbered or
12 unallotted funds are carried forward into the following fiscal
13 year. The following is in compliance with section 451a(1) of the
14 management and budget act, 1984 PA 431, MCL 18.1451a:

15 (a) The purpose of the project is to provide evidence-based
16 prenatal and early childhood home visiting programs in rural areas.

17 (b) The project will be accomplished through grants.

18 (c) The estimated cost of this project is \$550,000.00.

19 (d) The tentative completion date for the work project is
20 September 30, 2016.