

## **FIRST CONFERENCE REPORT**

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

House Bill No. 4238, entitled

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

Recommends:

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

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

(attached)

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

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

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Edward J. Canfield, D.O.

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Jim Marleau

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Sue Allor

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Peter MacGregor

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Pam Faris

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Vincent Gregory

Conferees for the House

Conferees for the Senate



**SUBSTITUTE FOR  
HOUSE BILL NO. 4238**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

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

**1** PART 1

**2** LINE-ITEM APPROPRIATIONS

**3** Sec. 101. There is appropriated for the department of health  
**4** and human services for the fiscal year ending September 30, 2018,  
**5** from the following funds:

**6** **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**7** APPROPRIATION SUMMARY

<b>8</b>	Full-time equated unclassified positions .....	6.0
<b>9</b>	Full-time equated classified positions .....	15,421.5
<b>10</b>	Average population .....	770.0

1	GROSS APPROPRIATION .....	\$ 25,358,159,400
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers.....	13,640,900
5	ADJUSTED GROSS APPROPRIATION .....	\$ 25,344,518,500
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families.....	551,915,400
9	Capped federal revenues .....	600,587,900
10	Total other federal revenues .....	17,165,133,400
11	Special revenue funds:	
12	Total local revenues .....	116,545,300
13	Total private revenues .....	149,875,700
14	Michigan merit award trust fund .....	49,068,700
15	Total other state restricted revenues .....	2,394,050,200
16	State general fund/general purpose .....	\$ 4,317,341,900
17	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>	
18	Full-time equated unclassified positions .....	6.0
19	Full-time equated classified positions .....	742.1
20	Unclassified salaries--6.0 FTE positions .....	\$ 1,153,000
21	Administrative hearings officers .....	11,219,700
22	Demonstration projects--7.0 FTE positions .....	7,355,100
23	Departmental administration and management--548.1 FTE	
24	positions.....	86,434,400
25	Developmental disabilities council and projects--10.0	
26	FTE positions.....	3,073,700
27	Merger savings .....	(3,052,500)

1	Office of inspector general--177.0 FTE positions .....	21,892,200
2	Property management .....	64,339,500
3	Terminal leave payments .....	5,686,100
4	Worker's compensation .....	<u>7,502,800</u>
5	GROSS APPROPRIATION .....	\$ 205,604,000
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of education .....	1,919,500
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families.....	22,973,500
12	Capped federal revenues .....	20,349,200
13	Total other federal revenues .....	63,821,200
14	Special revenue funds:	
15	Total local revenues .....	16,400
16	Total private revenues .....	3,843,200
17	Total other state restricted revenues .....	841,400
18	State general fund/general purpose .....	\$ 91,839,600
19	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
20	Full-time equated classified positions .....	185.7
21	Child support enforcement operations--179.7 FTE	
22	positions.....	\$ 22,312,200
23	Child support incentive payments .....	24,409,600
24	Legal support contracts .....	113,607,100
25	State disbursement unit--6.0 FTE positions .....	<u>8,112,800</u>
26	GROSS APPROPRIATION .....	\$ 168,441,700
27	Appropriated from:	

1	Federal revenues:	
2	Capped federal revenues .....	1,735,000
3	Total other federal revenues .....	142,644,500
4	State general fund/general purpose .....	\$ 24,062,200
5	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>	
6	Full-time equated classified positions .....	74.6
7	Bureau of community services and outreach--20.0 FTE	
8	positions.....	\$ 2,529,300
9	Child advocacy centers--0.5 FTE position .....	1,500,000
10	Community services and outreach administration--11.0	
11	FTE positions.....	1,465,000
12	Community services block grant .....	25,840,000
13	Crime victim grants administration services--13.0 FTE	
14	positions.....	2,177,100
15	Crime victim justice assistance grants .....	59,279,300
16	Crime victim rights services grants .....	16,870,000
17	Domestic violence prevention and treatment--14.6 FTE	
18	positions.....	15,817,200
19	Homeless programs .....	19,466,700
20	Housing and support services .....	13,031,000
21	Michigan community service commission--15.0 FTE	
22	positions.....	11,628,700
23	Rape prevention and services--0.5 FTE position .....	5,097,300
24	School success partnership program .....	450,000
25	Weatherization assistance .....	<u>16,340,000</u>
26	GROSS APPROPRIATION .....	\$ 191,491,600
27	Appropriated from:	

1	Federal revenues:		
2	Social security act, temporary assistance for needy		
3	families.....	13,188,400	
4	Capped federal revenues .....	66,676,300	
5	Total other federal revenues .....	75,829,400	
6	Special revenue funds:		
7	Private - collections .....	44,100	
8	Compulsive gambling prevention fund .....	1,040,500	
9	Sexual assault victims' prevention and treatment fund	3,000,000	
10	Child advocacy centers fund .....	1,500,000	
11	Crime victim's rights fund .....	15,337,000	
12	State general fund/general purpose .....	\$ 14,875,900	
13	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>		
14	<b>WELFARE</b>		
15	Full-time equated classified positions .....	3,844.2	
16	Adoption subsidies .....	\$ 210,409,600	
17	Adoption support services--10.0 FTE positions .....	27,283,500	
18	Attorney general contract .....	4,366,500	
19	Child abuse and neglect - children's justice act--1.0		
20	FTE position.....	622,600	
21	Child care fund.....	192,526,200	
22	Child protection .....	800,300	
23	Child welfare administration travel .....	375,000	
24	Child welfare field staff - caseload compliance--		
25	2,461.0 FTE positions.....	229,613,400	
26	Child welfare field staff - noncaseload compliance--		
27	330.0 FTE positions.....	34,559,000	

1	Child welfare first line supervisors--578.0 FTE	
2	positions.....	72,890,500
3	Child welfare institute--45.0 FTE positions .....	8,203,600
4	Child welfare licensing--59.0 FTE positions .....	6,914,000
5	Child welfare medical/psychiatric evaluations .....	10,435,500
6	Children's services administration--172.2 FTE	
7	positions.....	20,075,100
8	Children's trust fund--12.0 FTE positions .....	3,327,700
9	Contractual services, supplies, and materials .....	9,300,000
10	Education planners--15.0 FTE positions .....	1,530,100
11	Family preservation and prevention services	
12	administration--9.0 FTE positions.....	1,299,300
13	Family preservation programs--13.0 FTE positions .....	38,877,000
14	Family support subsidy .....	16,951,400
15	Foster care payments .....	198,388,100
16	Guardianship assistance program .....	11,505,400
17	Interstate compact .....	179,600
18	Peer coaches--45.5 FTE positions .....	5,737,300
19	Performance based funding implementation--3.0 FTE	
20	positions.....	1,444,800
21	Permanency resource managers--28.0 FTE positions .....	3,197,900
22	Prosecuting attorney contracts .....	3,879,500
23	Psychotropic oversight .....	618,200
24	Second line supervisors and technical staff--54.0 FTE	
25	positions.....	8,912,000
26	Settlement monitor .....	1,885,800
27	Strong families/safe children .....	12,350,100



1	Title IV-E compliance and accountability office--4.0	
2	FTE positions.....	424,700
3	Youth in transition--4.5 FTE positions .....	<u>15,306,300</u>
4	GROSS APPROPRIATION .....	\$ 1,154,190,000
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of education .....	90,200
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families.....	348,865,400
11	Capped federal revenues .....	112,020,100
12	Total other federal revenues .....	246,344,900
13	Special revenue funds:	
14	Private - collections .....	2,929,800
15	Local funds - county chargeback .....	14,244,900
16	Children's trust fund .....	2,091,900
17	State general fund/general purpose .....	\$ 427,602,800
18	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>	
19	<b>JUSTICE</b>	
20	Full-time equated classified positions ..... 120.5	
21	Bay Pines Center--47.0 FTE positions .....	\$ 5,468,900
22	Committee on juvenile justice administration--2.5 FTE	
23	positions.....	351,400
24	Committee on juvenile justice grants .....	3,000,000
25	Community support services--3.0 FTE positions .....	2,116,600
26	County juvenile officers .....	3,904,300
27	Juvenile justice, administration and maintenance--21.0	

1	FTE positions.....	3,739,300
2	Shawono Center--47.0 FTE positions .....	5,565,400
3	W.J. Maxey Training School .....	<u>250,000</u>
4	GROSS APPROPRIATION .....	\$ 24,395,900
5	Appropriated from:	
6	Federal revenues:	
7	Capped federal revenues .....	8,330,600
8	Special revenue funds:	
9	Local funds - state share education funds .....	1,339,000
10	Local funds - county chargeback .....	5,037,000
11	State general fund/general purpose .....	\$ 9,689,300
12	<b>Sec. 107. PUBLIC ASSISTANCE</b>	
13	Full-time equated classified positions..... 8.0	
14	Emergency services local office allocations .....	\$ 9,357,500
15	Family independence program .....	82,350,800
16	Food assistance program benefits .....	2,348,117,400
17	Food Bank Council of Michigan .....	2,045,000
18	Indigent burial .....	4,375,000
19	Low-income home energy assistance program .....	181,718,400
20	Michigan corner store initiative .....	100
21	Michigan energy assistance program--1.0 FTE position .	50,000,000
22	Multicultural integration funding .....	15,303,800
23	Refugee assistance program--7.0 FTE positions .....	27,993,400
24	State disability assistance payments .....	9,360,100
25	State supplementation .....	60,489,100
26	State supplementation administration .....	<u>2,381,100</u>
27	GROSS APPROPRIATION .....	\$ 2,793,491,700

1	Appropriated from:	
2	Federal revenues:	
3	Social security act, temporary assistance for needy	
4	families.....	70,526,700
5	Capped federal revenues .....	209,896,300
6	Total other federal revenues .....	2,342,627,400
7	Special revenue funds:	
8	Child support collections .....	10,979,000
9	Supplemental security income recoveries .....	4,142,700
10	Public assistance recoupment revenue .....	6,290,000
11	Low-income energy assistance fund .....	50,000,000
12	State general fund/general purpose .....	\$ 99,029,600
13	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>	
14	Full-time equated classified positions .....	6,287.5
15	Administrative support workers--221.0 FTE positions ..	\$ 12,872,400
16	Adult services field staff--460.0 FTE positions .....	49,365,200
17	Contractual services, supplies, and materials .....	16,352,500
18	Donated funds positions--288.0 FTE positions .....	32,702,700
19	Elder Law of Michigan MiCAFE contract .....	350,000
20	Electronic benefit transfer (EBT) .....	8,509,000
21	Employment and training support services .....	4,219,100
22	Field policy and administration--66.0 FTE positions ..	11,103,600
23	Field staff travel .....	8,103,900
24	Independent living .....	12,031,600
25	Medical/psychiatric evaluations .....	1,420,100
26	Michigan rehabilitation services--526.0 FTE positions	128,750,800
27	Nutrition education--2.0 FTE positions .....	33,045,300

1	Public assistance field staff--4,704.5 FTE positions .	478,474,200
2	SSI advocacy legal services .....	250,000
3	Training and program support--20.0 FTE positions .....	2,448,000
4	Volunteer services and reimbursement .....	<u>942,400</u>
5	GROSS APPROPRIATION .....	\$ 800,940,800
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of corrections .....	116,000
9	IDG from department of education .....	7,769,500
10	Federal revenues:	
11	Social security act, temporary assistance for needy	
12	families.....	67,495,500
13	Capped federal revenues .....	158,349,600
14	Federal supplemental security income .....	8,588,600
15	Total other federal revenues .....	256,830,300
16	Special revenue funds:	
17	Local funds - donated funds .....	5,783,500
18	Local vocational rehabilitation match .....	5,300,000
19	Private funds - donated funds .....	9,600,500
20	Private funds - gifts, bequests, and donations .....	531,500
21	Rehabilitation service fees .....	40,000
22	Second injury fund .....	38,300
23	State general fund/general purpose .....	\$ 280,497,500
24	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
25	Full-time equated classified positions .....	587.4
26	Disability determination operations--583.3 FTE	
27	positions.....	\$ 112,005,400

1	Retirement disability determination--4.1 FTE positions	<u>608,500</u>
2	GROSS APPROPRIATION .....	\$ 112,613,900
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from DTMB - office of retirement services .....	785,600
6	Federal revenues:	
7	Total other federal revenues .....	108,362,800
8	State general fund/general purpose .....	\$ 3,465,500
9	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>	
10	<b>AND SPECIAL PROJECTS</b>	
11	Full-time equated classified positions .....	97.0
12	Behavioral health program administration--77.0 FTE	
13	positions.....	\$ 55,828,200
14	Federal and other special projects .....	2,535,600
15	Gambling addiction--1.0 FTE position .....	3,006,500
16	Office of recipient rights--19.0 FTE positions .....	2,721,900
17	Protection and advocacy services support .....	<u>194,400</u>
18	GROSS APPROPRIATION .....	\$ 64,286,600
19	Appropriated from:	
20	Federal revenues:	
21	Total other federal revenues .....	33,225,600
22	Special revenue funds:	
23	Total private revenues .....	1,004,700
24	Total other state restricted revenues .....	3,006,500
25	State general fund/general purpose .....	\$ 27,049,800
26	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>	
27	Full-time equated classified positions .....	9.5

1	Autism services .....	\$	100,097,300
2	Children with serious emotional disturbance waiver ...		10,000,000
3	Children's waiver home care program .....		20,241,100
4	Civil service charges .....		399,300
5	Community mental health non-Medicaid services .....		120,050,400
6	Community substance use disorder prevention,		
7	education, and treatment.....		77,075,000
8	Federal mental health block grant--2.5 FTE positions .		15,457,300
9	Health homes .....		3,369,000
10	Healthy Michigan plan - behavioral health .....		286,465,600
11	Medicaid mental health services .....		2,300,593,100
12	Medicaid substance use disorder services .....		52,408,500
13	Nursing home PAS/ARR-OBRA--7.0 FTE positions .....		12,274,100
14	State disability assistance program substance use		
15	disorder services.....		<u>2,018,800</u>
16	GROSS APPROPRIATION .....	\$	3,000,449,500
17	Appropriated from:		
18	Federal revenues:		
19	Total other federal revenues .....		1,981,549,300
20	Special revenue funds:		
21	Total local revenues .....		25,475,800
22	Total other state restricted revenues .....		23,881,400
23	State general fund/general purpose .....	\$	969,543,000
24	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>		
25	<b>MENTAL HEALTH SERVICES</b>		
26	Total average population.....		770.0
27	Full-time equated classified positions.....		2,256.9

1	Caro Regional Mental Health Center - psychiatric	
2	hospital - adult--467.8 FTE positions .....	\$ 58,565,600
3	Average population.....	145.0
4	Center for forensic psychiatry--607.3 FTE positions ..	82,823,400
5	Average population.....	240.0
6	Gifts and bequests for patient living and treatment	
7	environment.....	1,000,000
8	Hawthorn Center - psychiatric hospital - children and	
9	adolescents--277.4 FTE positions .....	30,638,600
10	Average population.....	55.0
11	IDEA, federal special education .....	120,000
12	Kalamazoo Psychiatric Hospital - adult--474.1 FTE	
13	positions.....	67,273,500
14	Average population.....	170.0
15	Purchase of medical services for residents of	
16	hospitals and centers.....	445,600
17	Revenue recapture .....	750,000
18	Special maintenance .....	924,600
19	Walter P. Reuther Psychiatric Hospital - adult--430.3	
20	FTE positions.....	<u>58,601,500</u>
21	Average population.....	160.0
22	GROSS APPROPRIATION .....	\$ 301,142,800
23	Appropriated from:	
24	Federal revenues:	
25	Total other federal revenues .....	36,784,000
26	Special revenue funds:	
27	Total local revenues .....	20,000,500

1	Total private revenues .....	1,000,000
2	Total other state restricted revenues .....	19,376,600
3	State general fund/general purpose .....	\$ 223,981,700
4	<b>Sec. 113. HEALTH POLICY</b>	
5	Full-time equated classified positions .....	42.9
6	Bone marrow transplant registry .....	\$ 250,000
7	Certificate of need program administration--12.3 FTE	
8	positions.....	2,825,300
9	Health policy administration--25.2 FTE positions .....	13,065,200
10	Human trafficking intervention services .....	200,000
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.....	784,400
15	Primary care services--1.4 FTE positions .....	5,068,700
16	Rural health services--1.0 FTE position .....	<u>1,555,500</u>
17	GROSS APPROPRIATION .....	\$ 27,953,100
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from the department of licensing and regulatory	
21	affairs.....	784,400
22	IDG from the department of treasury, Michigan state	
23	hospital finance authority.....	117,700
24	Federal revenues:	
25	Social security act, temporary assistance for needy	
26	families.....	30,400
27	Capped federal revenues .....	18,700



1	Total other federal revenues .....	16,851,200
2	Special revenue funds:	
3	Total private revenues .....	865,000
4	Total other state restricted revenues .....	2,709,400
5	State general fund/general purpose .....	\$ 6,576,300
6	<b>Sec. 114. LABORATORY SERVICES</b>	
7	Full-time equated classified positions ..... 100.0	
8	Laboratory services--100.0 FTE positions .....	\$ <u>20,812,100</u>
9	GROSS APPROPRIATION .....	\$ 20,812,100
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from the department of environmental quality .....	991,000
13	Federal revenues:	
14	Total other federal revenues .....	2,340,100
15	Special revenue funds:	
16	Total other state restricted revenues .....	10,633,400
17	State general fund/general purpose .....	\$ 6,847,600
18	<b>Sec. 115. DISEASE CONTROL, PREVENTION, AND</b>	
19	<b>EPIDEMIOLOGY</b>	
20	Full-time equated classified positions ..... 101.9	
21	Childhood lead program--4.5 FTE positions .....	\$ 2,048,300
22	Epidemiology administration--62.1 FTE positions .....	19,273,600
23	Healthy homes program--12.0 FTE positions .....	27,740,400
24	Immunization program--12.8 FTE positions .....	16,886,600
25	Newborn screening follow-up and treatment services--	
26	10.5 FTE positions .....	<u>7,427,500</u>
27	GROSS APPROPRIATION .....	\$ 73,376,400

1	Appropriated from:	
2	Federal revenues:	
3	Total other federal revenues .....	53,683,100
4	Special revenue funds:	
5	Total private revenues .....	339,900
6	Total other state restricted revenues .....	11,975,600
7	State general fund/general purpose .....	\$ 7,377,800
8	<b>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>	
9	Full-time equated classified positions .....	226.2
10	AIDS prevention, testing, and care programs--37.7 FTE	
11	positions.....	\$ 70,623,800
12	Cancer prevention and control program--13.0 FTE	
13	positions.....	15,064,100
14	Chronic disease control and health promotion	
15	administration--27.4 FTE positions .....	8,461,300
16	Dental programs--3.8 FTE positions .....	3,753,500
17	Diabetes and kidney program--8.0 FTE positions .....	3,251,600
18	Essential local public health services .....	40,886,100
19	Health and wellness initiatives--11.7 FTE positions ..	9,008,400
20	Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
21	Injury control intervention project .....	1,000,000
22	Local health services--1.3 FTE positions .....	1,955,100
23	Medicaid outreach cost reimbursement to local health	
24	departments.....	12,500,000
25	Public health administration--7.0 FTE positions .....	1,579,500
26	Sexually transmitted disease control program--20.0 FTE	
27	positions.....	6,295,000

1	Smoking prevention program--12.0 FTE positions .....	2,148,300
2	Violence prevention--2.9 FTE positions .....	3,124,100
3	Vital records and health statistics--81.4 FTE	
4	positions.....	<u>10,049,700</u>
5	GROSS APPROPRIATION .....	\$ 189,720,500
6	Appropriated from:	
7	Federal revenues:	
8	Capped federal revenues .....	81,100
9	Total other federal revenues .....	79,856,800
10	Special revenue funds:	
11	Total local revenues .....	5,150,000
12	Total private revenues .....	39,279,600
13	Total other state restricted revenues .....	18,306,800
14	State general fund/general purpose .....	\$ 47,046,200
15	<b>Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH</b>	
16	Full-time equated classified positions..... 108.3	
17	Family, maternal, and child health administration--	
18	49.3 FTE positions.....	\$ 8,507,700
19	Family planning local agreements .....	8,310,700
20	Local MCH services .....	7,018,100
21	Pregnancy prevention program .....	602,100
22	Prenatal care outreach and service delivery support--	
23	14.0 FTE positions.....	19,578,800
24	Special projects .....	6,289,100
25	Sudden and unexpected infant death and suffocation	
26	prevention program.....	321,300
27	Women, infants, and children program administration	

1	and special projects--45.0 FTE positions .....	18,045,000
2	Women, infants, and children program local agreements	
3	and food costs.....	<u>256,285,000</u>
4	GROSS APPROPRIATION .....	\$ 324,957,800
5	Appropriated from:	
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families.....	650,000
9	Total other federal revenues .....	252,926,000
10	Special revenue funds:	
11	Total local revenues .....	75,000
12	Total private revenues .....	61,702,400
13	State general fund/general purpose .....	\$ 9,604,400
14	<b>Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND</b>	
15	<b>PREPAREDNESS</b>	
16	Full-time equated classified positions ..... 76.0	
17	Bioterrorism preparedness--53.0 FTE positions .....	\$ 30,398,600
18	Emergency medical services program--23.0 FTE positions	<u>6,773,600</u>
19	GROSS APPROPRIATION .....	\$ 37,172,200
20	Appropriated from:	
21	Federal revenues:	
22	Total other federal revenues .....	31,366,100
23	Special revenue funds:	
24	Total other state restricted revenues .....	4,020,500
25	State general fund/general purpose .....	\$ 1,785,600
26	<b>Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
27	Full-time equated classified positions ..... 46.8	

1	Bequests for care and services--2.8 FTE positions ....	\$	1,535,300
2	Children's special health care services		
3	administration--44.0 FTE positions .....		6,028,300
4	Medical care and treatment .....		239,278,900
5	Nonemergency medical transportation .....		905,900
6	Outreach and advocacy .....		<u>5,510,000</u>
7	GROSS APPROPRIATION .....	\$	253,258,400
8	Appropriated from:		
9	Federal revenues:		
10	Total other federal revenues .....		137,819,600
11	Special revenue funds:		
12	Total private revenues .....		1,013,700
13	Total other state restricted revenues .....		3,382,900
14	State general fund/general purpose .....	\$	111,042,200
15	<b>Sec. 120. AGING AND ADULT SERVICES AGENCY</b>		
16	Full-time equated classified positions ..... 48.0		
17	Aging and adult services administration--48.0 FTE		
18	positions.....	\$	9,394,700
19	Community services .....		43,567,300
20	Employment assistance .....		3,500,000
21	Nutrition services .....		42,254,200
22	Respite care program .....		6,468,700
23	Senior volunteer service programs .....		<u>4,465,300</u>
24	GROSS APPROPRIATION .....	\$	109,650,200
25	Appropriated from:		
26	Federal revenues:		
27	Capped federal revenues .....		371,500

1	Total other federal revenues .....	59,627,100
2	Special revenue funds:	
3	Total private revenues .....	520,000
4	Michigan merit award trust fund .....	4,068,700
5	Total other state restricted revenues .....	2,000,000
6	State general fund/general purpose .....	\$ 43,062,900
7	<b>Sec. 121. MEDICAL SERVICES ADMINISTRATION</b>	
8	Full-time equated classified positions .....	453.5
9	Electronic health record incentive program--24.0 FTE	
10	positions.....	\$ 144,328,000
11	Healthy Michigan plan administration--30.0 FTE	
12	positions.....	48,550,000
13	Medical services administration--384.5 FTE positions .	82,810,400
14	Technology supporting integrated service--15.0 FTE	
15	positions.....	<u>17,786,300</u>
16	GROSS APPROPRIATION .....	\$ 293,474,700
17	Appropriated from:	
18	Federal revenues:	
19	Social security act, temporary assistance for needy	
20	families.....	749,600
21	Capped federal revenues .....	910,700
22	Total other federal revenues .....	244,093,100
23	Special revenue funds:	
24	Total local revenues .....	107,300
25	Total private revenues .....	101,300
26	Total other state restricted revenues .....	336,300
27	State general fund/general purpose .....	\$ 47,176,400

**1      Sec. 122.    MEDICAL SERVICES**

<b>2</b>	Adult home help services .....	\$	316,947,200
<b>3</b>	Ambulance services .....		20,794,700
<b>4</b>	Auxiliary medical services .....		6,061,200
<b>5</b>	Dental clinic program .....		1,000,000
<b>6</b>	Dental services .....		315,662,300
<b>7</b>	Federal Medicare pharmaceutical program .....		275,196,900
<b>8</b>	Health plan services .....		5,036,661,800
<b>9</b>	Healthy Michigan plan .....		3,862,759,700
<b>10</b>	Home health services .....		6,163,600
<b>11</b>	Hospice services .....		115,496,000
<b>12</b>	Hospital disproportionate share payments .....		45,000,000
<b>13</b>	Hospital services and therapy .....		770,000,000
<b>14</b>	Integrated care organizations .....		185,712,300
<b>15</b>	Long-term care services .....		1,794,419,600
<b>16</b>	Maternal and child health .....		20,279,500
<b>17</b>	Medicaid home- and community-based services waiver ...		348,087,400
<b>18</b>	Medicare premium payments .....		541,623,900
<b>19</b>	Personal care services .....		9,491,200
<b>20</b>	Pharmaceutical services .....		423,004,600
<b>21</b>	Physician services .....		287,642,400
<b>22</b>	Program of all-inclusive care for the elderly .....		106,289,100
<b>23</b>	School-based services .....		109,937,200
<b>24</b>	Special Medicaid reimbursement .....		308,796,100
<b>25</b>	Transportation .....		<u>22,717,800</u>
<b>26</b>	GROSS APPROPRIATION .....	\$	14,929,744,500
<b>27</b>	Appropriated from:		

1	Federal revenues:	
2	Total other federal revenues .....	10,876,331,000
3	Special revenue funds:	
4	Total local revenues .....	34,015,900
5	Total private revenues .....	2,100,000
6	Michigan merit award trust fund .....	45,000,000
7	Total other state restricted revenues .....	2,188,272,500
8	State general fund/general purpose .....	\$ 1,784,025,100
9	<b>Sec. 123. INFORMATION TECHNOLOGY</b>	
10	Child support automation .....	\$ 41,877,600
11	Information technology services and projects .....	158,814,300
12	Michigan Medicaid information system .....	<u>55,634,400</u>
13	GROSS APPROPRIATION .....	\$ 256,326,300
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from department of education .....	1,067,000
17	Federal revenues:	
18	Social security act, temporary assistance for needy	
19	families.....	23,935,900
20	Capped federal revenues .....	21,848,800
21	Total other federal revenues .....	109,673,300
22	Special revenue funds:	
23	Total private revenues .....	25,000,000
24	Total other state restricted revenues .....	1,985,800
25	State general fund/general purpose .....	\$ 72,815,500
26	<b>Sec. 124. ONE-TIME BASIS ONLY APPROPRIATIONS</b>	
27	Full-time equated classified positions .....	4.5



1	Autism navigator .....	\$	565,000
2	Child lead poisoning elimination board .....		500,000
3	Dental clinic program .....		1,000,000
4	Direct primary care pilot program .....		5,724,000
5	Drinking water declaration of emergency--4.5 FTE		
6	positions.....		14,041,700
7	Farmer's market wireless equipment purchases .....		500,000
8	Food Bank Council of Michigan .....		184,000
9	Food pantry grant .....		100,000
10	Prenatal diagnosis clearinghouse website .....		150,000
11	Primary care and dental health services .....		300,000
12	Primary care hospital grant .....		850,000
13	Refugee assistance grant .....		150,000
14	Special Olympics Michigan .....		100,000
15	University autism programs .....		<u>500,000</u>
16	GROSS APPROPRIATION .....	\$	24,664,700
17	Appropriated from:		
18	Federal revenues:		
19	Social security act, temporary assistance for needy		
20	families.....		3,500,000
21	Total other federal revenues .....		3,958,000
22	Special revenue funds:		
23	Total other state restricted revenues .....		8,861,700
24	State general fund/general purpose .....	\$	8,345,000

25

PART 2

PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2017-2018

**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 2017-2018 is \$6,760,460,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2017-2018 is \$1,370,361,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMMUNITY SERVICES AND OUTREACH

Crime victim rights services grants .....	\$	7,216,000
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Housing and support services .....		637,300
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CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Child care fund .....	\$	156,751,100
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PUBLIC ASSISTANCE

Family independence program .....	\$	5,100
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Multicultural integration funding .....		5,478,200
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State disability assistance payments .....		742,600
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BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Behavioral health program administration .....	\$	3,132,000
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BEHAVIORAL HEALTH SERVICES

Autism services .....	\$	33,648,700
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Children with serious emotional disturbance waiver ...		3,522,000
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Children's waiver home care program .....		6,500,000
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Community mental health non-Medicaid services .....		120,050,400
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1	Community substance use disorder prevention,		
2	education, and treatment.....		14,553,400
3	Health homes .....		70,700
4	Healthy Michigan plan - behavioral health .....		16,472,000
5	Medicaid mental health services .....		773,271,300
6	Medicaid substance use disorder services .....		18,117,100
7	Nursing home PAS/ARR-OBRA .....		2,728,200
8	State disability assistance program substance use		
9	disorder services.....		2,018,800
10	HEALTH POLICY		
11	Primary care services .....	\$	87,300
12	LABORATORY SERVICES		
13	Laboratory services .....	\$	5,300
14	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
15	Childhood lead program .....	\$	314,800
16	Epidemiology administration .....		154,800
17	Immunization program .....		1,039,300
18	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
19	AIDS prevention, testing, and care programs .....	\$	1,809,300
20	Essential local public health services .....		35,736,100
21	Health and wellness initiatives .....		2,189,900
22	Public health administration .....		1,000
23	Sexually transmitted disease control program .....		701,300
24	FAMILY, MATERNAL, AND CHILD HEALTH		
25	Family, maternal, and child health administration ....	\$	8,800
26	Prenatal care outreach and service delivery support ..		2,997,600
27	CHILDREN'S SPECIAL HEALTH CARE SERVICES		

1	Medical care and treatment .....	\$	1,236,200
2	Outreach and advocacy .....		2,755,000
3	AGING AND ADULT SERVICES AGENCY		
4	Community services .....	\$	21,286,900
5	Nutrition services .....		12,597,200
6	Respite care program .....		6,468,700
7	Senior volunteer service programs .....		940,800
8	MEDICAL SERVICES		
9	Dental services .....	\$	2,141,200
10	Hospital services and therapy .....		1,575,500
11	Long-term care services .....		102,419,500
12	Physician services .....		8,926,800
13	Transportation .....		<u>53,200</u>
14	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....	\$	1,370,361,400

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

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

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

20       (b) "CMHSP" means a community mental health services program  
21 as that term is defined in section 100a of the mental health code,  
22 1974 PA 258, MCL 330.1100a.

23       (c) "CMS" means the Centers for Medicare and Medicaid  
24 Services.

25       (d) "Current fiscal year" means the fiscal year ending  
26 September 30, 2018.

27       (e) "Department" means the department of health and human

1 services.

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

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

4 (h) "EPSDT" means early and periodic screening, diagnosis, and  
5 treatment.

6 (i) "Federal poverty level" means the poverty guidelines  
7 published annually in the Federal Register by the United States  
8 Department of Health and Human Services under its authority to  
9 revise the poverty line under 42 USC 9902.

10 (j) "FTE" means full-time equated.

11 (k) "GME" means graduate medical education.

12 (l) "Health plan" means, at a minimum, an organization that  
13 meets the criteria for delivering the comprehensive package of  
14 services under the department's comprehensive health plan.

15 (m) "HEDIS" means healthcare effectiveness data and  
16 information set.

17 (n) "HMO" means health maintenance organization.

18 (o) "IDEA" means the individuals with disabilities education  
19 act, 20 USC 1400 to 1482.

20 (p) "IDG" means interdepartmental grant.

21 (q) "MCH" means maternal and child health.

22 (r) "Medicaid" means subchapter XIX of the social security  
23 act, 42 USC 1396 to 1396w-5.

24 (s) "Medicare" means subchapter XVIII of the social security  
25 act, 42 USC 1395 to 1395III.

26 (t) "MiCAFE" means Michigan's coordinated access to food for  
27 the elderly.

1 (u) "MIChild" means the program described in section 1670.

2 (v) "MiSACWIS" means Michigan statewide automated child  
3 welfare information system.

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

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

16 (y) "Previous fiscal year" means the fiscal year ending  
17 September 30, 2017.

18 (z) "Settlement" means the settlement agreement entered in the  
19 case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United  
20 States District Court for the Eastern District of Michigan.

21 (aa) "SSI" means supplemental security income.

22 (bb) "Temporary assistance for needy families" or "TANF" or  
23 "title IV-A" means part A of subchapter IV of the social security  
24 act, 42 USC 601 to 619.

25 (cc) "Title IV-B" means part B of title IV of the social  
26 security act, 42 USC 620 to 629m.

27 (dd) "Title IV-D" means part D of title IV of the social

1 security act, 42 USC 651 to 669b.

2 (ee) "Title IV-E" means part E of title IV of the social  
3 security act, 42 USC 670 to 679c.

4 (ff) "Title X" means subchapter VIII of the public health  
5 service act, 42 USC 300 to 300a-8, which establishes grants to  
6 states for family planning services.

7 Sec. 204. Unless otherwise specified, the departments and  
8 agencies receiving appropriations in part 1 shall use the internet  
9 to fulfill the reporting requirements of this part and part 1. This  
10 requirement shall include transmission of reports via electronic  
11 mail to the recipients identified for each reporting requirement,  
12 and it shall include placement of reports on the internet.

13 Sec. 205. Funds appropriated in part 1 shall not be used for  
14 the purchase of foreign goods or services, or both, if  
15 competitively priced and of comparable quality American goods or  
16 services, or both, are available. Preference shall be given to  
17 goods or services, or both, manufactured or provided by Michigan  
18 businesses if they are competitively priced and of comparable  
19 quality. In addition, preference shall be given to goods or  
20 services, or both, that are manufactured or provided by Michigan  
21 businesses owned and operated by veterans if they are competitively  
22 priced and of comparable quality.

23 Sec. 206. The director shall take all reasonable steps to  
24 ensure businesses in deprived and depressed communities compete for  
25 and perform contracts to provide services or supplies, or both.  
26 Each director shall strongly encourage firms with which the  
27 department contracts to subcontract with certified businesses in

1 depressed and deprived communities for services, supplies, or both.

2       Sec. 207. The departments and agencies receiving  
3 appropriations in part 1 shall prepare a report on out-of-state  
4 travel expenses by January 1 of each year. The travel report shall  
5 be a listing of all travel by classified and unclassified employees  
6 outside this state in the immediately preceding fiscal year that  
7 was funded in whole or in part with funds appropriated in the  
8 department's budget. The report shall be submitted to the senate  
9 and house appropriations committees, the house and senate fiscal  
10 agencies, and the state budget director. The report shall include  
11 the following information:

12       (a) The dates of each travel occurrence.

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

18       Sec. 208. Funds appropriated in part 1 shall not be used by a  
19 principal executive department, state agency, or authority to hire  
20 a person to provide legal services that are the responsibility of  
21 the attorney general. This prohibition does not apply to legal  
22 services for bonding activities and for those outside services that  
23 the attorney general authorizes.

24       Sec. 209. By November 30, the state budget office shall  
25 prepare and transmit a report that provides for estimates of the  
26 total general fund/general purpose appropriation lapses at the  
27 close of the prior fiscal year. This report shall summarize the



1 projected year-end general fund/general purpose appropriation  
2 lapses by major departmental program or program areas. The report  
3 shall be transmitted to the chairpersons of the senate and house  
4 appropriations committees, and the senate and house fiscal  
5 agencies.

6       Sec. 210. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$400,000,000.00 for  
8 federal contingency funds. These funds are not available for  
9 expenditure until they have been transferred to another line item  
10 in part 1 under section 393(2) of the management and budget act,  
11 1984 PA 431, MCL 18.1393. These funds shall not be made available  
12 to increase TANF authorization.

13       (2) In addition to the funds appropriated in part 1, there is  
14 appropriated an amount not to exceed \$45,000,000.00 for state  
15 restricted contingency funds. These funds are not available for  
16 expenditure until they have been transferred to another line item  
17 in part 1 under section 393(2) of the management and budget act,  
18 1984 PA 431, MCL 18.1393.

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

25       (4) In addition to the funds appropriated in part 1, there is  
26 appropriated an amount not to exceed \$60,000,000.00 for private  
27 contingency funds. These funds are not available for expenditure

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

4 Sec. 211. The department shall cooperate with the department  
5 of technology, management, and budget to maintain a searchable  
6 website accessible by the public at no cost that includes, but is  
7 not limited to, all of the following for each department or agency:

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

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

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

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

15 (e) Job specifications and wage rates.

16 Sec. 212. Within 14 days after the release of the executive  
17 budget recommendation, the department shall cooperate with the  
18 state budget office to provide the senate and house appropriations  
19 chairs, the senate and house appropriations subcommittees chairs on  
20 the department budget, and the senate and house fiscal agencies  
21 with an annual report on estimated state restricted fund balances,  
22 state restricted fund projected revenues, and state restricted fund  
23 expenditures for the previous fiscal year and the current fiscal  
24 year.

25 Sec. 213. The department shall maintain, on a publicly  
26 accessible website, a department scorecard that identifies, tracks,  
27 and regularly updates key metrics that are used to monitor and

1 improve the department's performance.

2       Sec. 214. Total authorized appropriations from all sources  
3 under part 1 for legacy costs for the current fiscal year are  
4 estimated at \$335,657,300.00. From this amount, total agency  
5 appropriations for pension-related legacy costs are estimated at  
6 \$172,731,300.00. Total agency appropriations for retiree health  
7 care legacy costs are estimated at \$162,926,000.00.

8       Sec. 215. If either of the following events occur, within 30  
9 days the department shall notify the state budget director, the  
10 chairs of the house and senate subcommittees on the department  
11 budget, and the house and senate fiscal agencies and policy offices  
12 of that fact:

13       (a) A legislative objective of this part or of a bill or  
14 amendment to a bill to amend the social welfare act, 1939 PA 280,  
15 MCL 400.1 to 400.119b, cannot be implemented because implementation  
16 would conflict with or violate federal regulations.

17       (b) A federal grant, for which a notice of an award has been  
18 received, cannot be used, or will not be used.

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

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

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

3 Sec. 217. (1) By February 1 of the current fiscal year, the  
4 department shall report to the house and senate appropriations  
5 subcommittees on the department budget, the house and senate fiscal  
6 agencies, and the state budget director on the detailed name and  
7 amounts of estimated federal, restricted, private, and local  
8 sources of revenue that support the appropriations in each of the  
9 line items in part 1.

10 (2) Upon the release of the next fiscal year executive budget  
11 recommendation, the department shall report to the same parties in  
12 subsection (1) on the amounts and detailed sources of federal,  
13 restricted, private, and local revenue proposed to support the  
14 total funds appropriated in each of the line items in part 1 of the  
15 next fiscal year executive budget proposal.

16 Sec. 218. The department shall include, but not be limited to,  
17 the following in its annual list of proposed basic health services  
18 as required in part 23 of the public health code, 1978 PA 368, MCL  
19 333.2301 to 333.2321:

- 20 (a) Immunizations.
- 21 (b) Communicable disease control.
- 22 (c) Sexually transmitted disease control.
- 23 (d) Tuberculosis control.
- 24 (e) Prevention of gonorrhea eye infection in newborns.
- 25 (f) Screening newborns for the conditions listed in section  
26 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
27 recommended by the newborn screening quality assurance advisory

1 committee created under section 5430 of the public health code,  
2 1978 PA 368, MCL 333.5430.

3 (g) Health and human services annex of the Michigan emergency  
4 management plan.

5 (h) Prenatal care.

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

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

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

21 (c) The expected project duration.

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

25 (2) On or before December 30 of the current fiscal year, the  
26 department shall provide to the same parties listed in subsection

27 (1) a copy of all reports, studies, and publications produced by

1 the Michigan Public Health Institute, its subcontractors, or the  
2 department with the funds appropriated in the department's budget  
3 in the previous fiscal year and allocated to the Michigan Public  
4 Health Institute.

5       Sec. 220. The department shall ensure that faith-based  
6 organizations are able to apply and compete for services, programs,  
7 or contracts that they are qualified and suitable to fulfill. The  
8 department shall not disqualify faith-based organizations solely on  
9 the basis of the religious nature of their organization or their  
10 guiding principles or statements of faith.

11       Sec. 221. According to section 1b of the social welfare act,  
12 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
13 part as a time-limited addendum to the social welfare act, 1939 PA  
14 280, MCL 400.1 to 400.119b.

15       Sec. 222. (1) The department shall make the entire policy and  
16 procedures manual available and accessible to the public via the  
17 department website.

18       (2) The department shall report by April 1 of the current  
19 fiscal year on each specific policy change made to implement a  
20 public act affecting the department that took effect during the  
21 prior calendar year to the house and senate appropriations  
22 subcommittees on the budget for the department, the joint committee  
23 on administrative rules, the senate and house fiscal agencies, and  
24 policy offices. The department shall attach each policy bulletin  
25 issued during the prior calendar year to this report.

26       Sec. 223. The department may establish and collect fees for  
27 publications, videos and related materials, conferences, and

workshops. Collected fees are appropriated when received and shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures. When collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, within 30 days the department shall notify the chairs of the house and senate subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director of that fact.

Sec. 224. The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 225. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based

1 on whether they have collective bargaining agreements with direct  
2 care workers. Private service providers or licensees without  
3 collective bargaining agreements shall not be subjected to  
4 additional requirements or conditions of licensure based on their  
5 lack of collective bargaining agreements.

6 Sec. 226. If the revenue collected by the department from fees  
7 and collections exceeds the amount appropriated in part 1, the  
8 revenue may be carried forward with the approval of the state  
9 budget director into the subsequent fiscal year. The revenue  
10 carried forward under this section shall be used as the first  
11 source of funds in the subsequent fiscal year.

12 Sec. 227. The state departments, agencies, and commissions  
13 receiving tobacco tax funds and Healthy Michigan fund revenue from  
14 part 1 shall report by April 1 of the current fiscal year to the  
15 senate and house appropriations committees, the senate and house  
16 fiscal agencies, and the state budget director on the following:

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

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

22 (c) Eligibility criteria for program participation and maximum  
23 benefit levels where applicable.

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

27 Sec. 229. (1) The department shall extend the interagency



1 agreement with the Michigan talent investment agency for the  
2 duration of the current fiscal year, which concerns TANF funding to  
3 provide job readiness and welfare-to-work programming. The  
4 interagency agreement shall include specific outcome and  
5 performance reporting requirements as described in this section.  
6 TANF funding provided to the Michigan talent investment agency in  
7 the current fiscal year is contingent on compliance with the data  
8 and reporting requirements described in this section. The  
9 interagency agreement must require the Michigan talent investment  
10 agency to provide all of the following items by January 1 of the  
11 current fiscal year for the previous fiscal year to the senate and  
12 house appropriations subcommittees on the department budget and the  
13 state budget office:

14 (a) An itemized spending report on TANF funding, including all  
15 of the following:

16 (i) Direct services to recipients.

17 (ii) Administrative expenditures.

18 (b) The number of family independence program (FIP) recipients  
19 served through the TANF funding, including all of the following:

20 (i) The number and percentage who obtained employment through  
21 Michigan Works!

22 (ii) The number and percentage who fulfilled their TANF work  
23 requirement through other job readiness programming.

24 (iii) Average TANF spending per recipient.

25 (iv) The number and percentage of recipients who were referred  
26 to Michigan Works! but did not receive a job or job readiness  
27 placement and the reasons why.

1           (2) By March 1 of the current fiscal year, the department  
2 shall provide to the senate and house appropriations subcommittees  
3 on the department budget, the senate and house fiscal agencies, the  
4 senate and house policy offices, and the state budget office an  
5 annual report on the following matters itemized by Michigan Works!  
6 agency: the number of referrals to Michigan Works! job readiness  
7 programs, the number of referrals to Michigan Works! job readiness  
8 programs who became a participant in the Michigan Works! job  
9 readiness programs, the number of participants who obtained  
10 employment, and the cost per participant case.

11           Sec. 231. From the funds appropriated in part 1 for travel  
12 reimbursements to employees, the department shall allocate up to  
13 \$100,000.00 toward reimbursing counties for the out-of-pocket  
14 travel costs of the local county department board members and  
15 county department directors to attend 1 meeting per year of the  
16 Michigan County Social Services Association.

17           Sec. 232. (1) The department shall provide the approved  
18 spending plan for each line item receiving an appropriation in the  
19 current fiscal year to the senate and house appropriations  
20 subcommittees on the department budget and the senate and house  
21 fiscal agencies within 60 days of approval by the department but  
22 not later than January 15 of the current fiscal year. The spending  
23 plan shall include the following information regarding planned  
24 expenditures for each category and contract: contract amount,  
25 period of performance, each fund source, allocation in the previous  
26 period, change in the allocation, and new allocation. The spending  
27 plan shall include the following information regarding each revenue

1 source for the line item: name of the fund source, category of the  
2 fund source indicated by general fund/general purpose, state  
3 restricted, local, private or federal, grant number, original  
4 authorization, adjusted authorization, expected revenue,  
5 authorization less the expected revenue, planned expenditure, and  
6 revenue less planned expenditure. Figures included in the approved  
7 spending plan shall not be assumed to constitute the actual final  
8 expenditures, as line items may be updated on an as-needed basis to  
9 reflect changes in projected expenditures and projected revenue.

10 (2) Notwithstanding any other appropriation authority granted  
11 in part 1, the department shall not appropriate any general  
12 fund/general purpose funds or any related federal and state  
13 restricted funds for special maintenance, remodeling, addition -  
14 state facilities, or enterprisewide information technology  
15 investments without providing a written 30-day notice to the senate  
16 and house appropriations subcommittees on the department budget,  
17 the senate and house fiscal agencies, and the senate and house  
18 policy offices.

19 Sec. 233. By March 1 of the current fiscal year, the  
20 department shall report to the senate and house appropriations  
21 subcommittees on the department budget, the senate and house fiscal  
22 agencies, the senate and house policy offices, and state budget  
23 office on the status of the merger, executed according to Executive  
24 Order No. 2015-4, of the department of community health and the  
25 department of human services to create the department of health and  
26 human services. The report shall include, but not be limited to,  
27 all of the following information:

1 (a) The impact on the lives and well-being of the people of  
2 Michigan.

3 (b) Any direct and indirect fiscal costs or savings that  
4 resulted from the merger.

5 (c) A step-by-step explanation as to how the integrated  
6 service delivery will be implemented by the department and the  
7 direct and indirect costs for each step of implementation.

8 (d) An explanation of actual or any planned consolidation of  
9 duplicative programs as a result of the merger.

10 Sec. 239. The negative appropriation for merger savings in  
11 part 1 shall be satisfied by savings identified by the director and  
12 approved by the state budget director. Appropriation authorization  
13 adjustments required due to negative appropriations for merger  
14 savings shall be made only after the approval of transfers by the  
15 legislature under section 393(2) of the management and budget act,  
16 1984 PA 431, MCL 18.1393.

17 Sec. 252. The appropriations in part 1 for Healthy Michigan  
18 plan - behavioral health, Healthy Michigan plan administration, and  
19 Healthy Michigan plan are contingent on the provisions of the  
20 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were  
21 contained in 2013 PA 107 not being amended, repealed, or otherwise  
22 altered to eliminate the Healthy Michigan plan. If that occurs,  
23 then, upon the effective date of the amendatory act that amends,  
24 repeals, or otherwise alters those provisions, the remaining funds  
25 in the Healthy Michigan plan - behavioral health, Healthy Michigan  
26 plan administration, and Healthy Michigan plan line items shall  
27 only be used to pay previously incurred costs and any remaining

1 appropriations shall not be allotted to support those line items.

2       Sec. 263. (1) Except as otherwise provided in this subsection,  
3 before submission of a waiver, a state plan amendment, or a similar  
4 proposal to CMS or other federal agency, the department shall  
5 provide written notification of the planned submission to the house  
6 and senate appropriations subcommittees on the department budget,  
7 the house and senate fiscal agencies and policy offices, and the  
8 state budget office. This subsection does not apply to the  
9 submission of a waiver, a state plan amendment, or similar proposal  
10 that does not propose a material change or is outside of the  
11 ordinary course of waiver, state plan amendment, or similar  
12 proposed submissions.

13       (2) The department shall provide written biannual reports to  
14 the senate and house appropriations subcommittees on the department  
15 budget, the senate and house fiscal agencies, and the state budget  
16 office summarizing the status of any new or ongoing discussions  
17 with CMS or the United States Department of Health and Human  
18 Services or other federal agency regarding potential or future  
19 waiver applications as well as the status of submitted waivers that  
20 have not yet received federal approval. If, at the time a biannual  
21 report is due, there are no reportable items, then no report is  
22 required to be provided.

23       Sec. 264. The department shall not take disciplinary action  
24 against an employee for communicating with a member of the  
25 legislature or his or her staff.

26       Sec. 270. The department shall advise the legislature of the  
27 receipt of a notification from the attorney general's office of a

1 legal action in which expenses had been recovered pursuant to  
2 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,  
3 or any other statute under which the department has the right to  
4 recover expenses. By November 1 and May 1 of the current fiscal  
5 year, the department shall submit a written report to the house and  
6 senate appropriations subcommittees on the department budget, the  
7 house and senate fiscal agencies, and the state budget office that  
8 includes, at a minimum, all of the following:

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

10 (b) The program or service for which the money was originally  
11 expended.

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

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

16 Sec. 274. (1) The department, in collaboration with the state  
17 budget office, shall submit to the house and senate appropriations  
18 subcommittees on the department budget, the house and senate fiscal  
19 agencies, and the house and senate policy offices 1 week after the  
20 day the governor submits to the legislature the budget for the  
21 ensuing fiscal year a report on spending and revenue projections  
22 for each of the capped federal funds listed below. The report shall  
23 contain actual spending and revenue in the previous fiscal year,  
24 spending and revenue projections for the current fiscal year as  
25 enacted, and spending and revenue projections within the executive  
26 budget proposal for the fiscal year beginning October 1, 2018 for  
27 each individual line item for the department budget. The report

1 shall also include federal funds transferred to other departments.  
2 The capped federal funds shall include, but not be limited to, all  
3 of the following:

4 (a) TANF.

5 (b) Title XX social services block grant.

6 (c) Title IV-B part I child welfare services block grant.

7 (d) Title IV-B part II promoting safe and stable families  
8 funds.

9 (e) Low-income home energy assistance program.

10 (2) It is the intent of the legislature that the department,  
11 in collaboration with the state budget office, not utilize capped  
12 federal funding for economics adjustments for FTEs or other  
13 economics costs that are included as part of the budget submitted  
14 to the legislature by the governor for the ensuing fiscal year,  
15 unless there is a reasonable expectation for increased federal  
16 funding to be available to the department from that capped revenue  
17 source in the ensuing fiscal year.

18 (3) By February 15 of the current fiscal year, the department  
19 shall prepare an annual report of its efforts to identify  
20 additional TANF maintenance of effort sources and rationale for any  
21 increases or decreases from all of the following, but not limited  
22 to:

23 (a) Other departments.

24 (b) Local units of government.

25 (c) Private sources.

26 Sec. 279. (1) All master contracts relating to human services  
27 as funded by the appropriations in sections 103, 104, 105, 106,

1 107, 108, and 109 of part 1 shall be performance-based contracts  
2 that employ a client-centered results-oriented process that is  
3 based on measurable performance indicators and desired outcomes and  
4 includes the annual assessment of the quality of services provided.

5 (2) By February 1 of the current fiscal year, the department  
6 shall provide the senate and house appropriations subcommittees on  
7 the department budget, the senate and house fiscal agencies and  
8 policy offices, and the state budget office a report detailing  
9 measurable performance indicators, desired outcomes, and an  
10 assessment of the quality of services provided by the department  
11 during the previous fiscal year.

12 Sec. 280. On a quarterly basis, the department shall provide a  
13 report to the house and senate appropriations committees, the house  
14 and senate fiscal agencies, the house and senate policy offices,  
15 and the state budget director that provides all of the following  
16 for each line item in part 1 containing personnel-related costs,  
17 including the specific individual amounts for salaries and wages,  
18 payroll taxes, and fringe benefits:

19 (a) FTE authorization.

20 (b) Spending authorization for personnel-related costs, by  
21 fund source, under the spending plan.

22 (c) Actual year-to-date expenditures for personnel-related  
23 costs, by fund source, through the end of the prior month.

24 (d) The projected year-end balance or shortfall for personnel-  
25 related costs, by fund source, based on actual monthly spending  
26 levels through the end of the prior month.

27 (e) A specific plan for addressing any projected shortfall for



1 personnel-related costs at either the gross or fund source level.

2       Sec. 288. (1) Beginning October 1 of the current fiscal year,  
3 no less than 95% 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 the department budget, house and senate fiscal agencies, and  
15 state 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. 289. By March 1 of the current fiscal year, the  
19 department shall provide to the senate and house appropriations  
20 subcommittees on the department budget, the senate and house fiscal  
21 agencies, and the senate and house policy offices an annual report  
22 on the supervisor-to-staff ratio by department divisions and  
23 subdivisions.

24       Sec. 290. Any public advertisement for state assistance shall  
25 also inform the public of the welfare fraud hotline operated by the  
26 department.

27       Sec. 291. The department shall verify, using the e-verify

1 system, that all new department employees, and new hire employees  
2 of contractors and subcontractors paid from funds appropriated in  
3 part 1, are legally present in the United States. The department  
4 may verify this information directly or may require contractors and  
5 subcontractors to verify the information and submit a certification  
6 to the department.

7       Sec. 295. (1) From the funds appropriated in part 1 to  
8 agencies providing physical and behavioral health services to  
9 multicultural populations, the department shall award grants in  
10 accordance with the requirements of subsection (2). The state is  
11 not liable for any spending above the contract amount. Funds shall  
12 not be released until reporting requirements under section 295 of  
13 article X of 2016 PA 268 are satisfied.

14       (2) The department shall require each contractor described in  
15 subsection (1) that receives greater than \$1,000,000.00 in state  
16 grant funding to comply with performance-related metrics to  
17 maintain their eligibility for funding. The organizational metrics  
18 shall include, but not be limited to, all of the following:

19       (a) Each contractor or subcontractor shall have accreditations  
20 that attest to their competency and effectiveness as behavioral  
21 health and social service agencies.

22       (b) Each contractor or subcontractor shall have a mission that  
23 is consistent with the purpose of the multicultural agency.

24       (c) Each contractor shall validate that any subcontractors  
25 utilized within these appropriations share the same mission as the  
26 lead agency receiving funding.

27       (d) Each contractor or subcontractor shall demonstrate cost-

1 effectiveness.

2 (e) Each contractor or subcontractor shall ensure their  
3 ability to leverage private dollars to strengthen and maximize  
4 service provision.

5 (f) Each contractor or subcontractor shall provide timely and  
6 accurate reports regarding the number of clients served, units of  
7 service provision, and ability to meet their stated goals.

8 (3) The department shall require an annual report from the  
9 contractors described in subsection (2). The annual report, due 60  
10 days following the end of the contract period, shall include  
11 specific information on services and programs provided, the client  
12 base to which the services and programs were provided, information  
13 on any wraparound services provided, and the expenditures for those  
14 services. The department shall provide the annual reports to the  
15 senate and house appropriations subcommittees on health and human  
16 services, the senate and house fiscal agencies, and the state  
17 budget office.

18 Sec. 297. By March 1 and August 1 of the current fiscal year,  
19 the department shall report on the number of FTEs in pay status by  
20 type of staff. The report shall include a comparison by line item  
21 of the number of FTEs authorized from funds appropriated in part 1  
22 to the actual number of FTEs employed by the department at the end  
23 of the reporting period.

24 Sec. 298. (1) Before implementing the pilot projects and  
25 demonstration models described in subsections (2), (3), and (4),  
26 the department shall contract with an independent project  
27 facilitator with at least 10 years of project management experience

1 to establish performance outcome metrics of the pilot projects and  
2 demonstration models, finalize each pilot project's or  
3 demonstration model's implementation milestones, determine and  
4 manage the critical path to the pilot project's or demonstration  
5 model's completion, provide independent guidance on resolving  
6 conflicts between parties, and perform other necessary oversight  
7 and implementation functions as determined by the department. These  
8 performance metrics shall evaluate how the pilot projects and  
9 demonstration models impact, at a minimum, each of the following  
10 categories:

11 (a) Improvement of the coordination between behavioral health  
12 and physical health.

13 (b) Improvement of services available to individuals with  
14 mental illness, intellectual or developmental disabilities, or  
15 substance use disorders.

16 (c) Benefits associated with full access to community-based  
17 services and supports.

18 (d) Customer health status.

19 (e) Customer satisfaction.

20 (f) Provider network stability.

21 (g) Treatment and service efficacies.

22 (h) Financial efficiencies.

23 (i) Any other relevant categories.

24 (2) The department shall work with a willing CMHSP in Kent  
25 County and all willing Medicaid health plans in the county to pilot  
26 a full physical and behavioral health integrated service  
27 demonstration model. The department shall ensure that the pilot

1 project described in this subsection is implemented in a manner  
2 that ensures at least all of the following:

3 (a) That each willing Medicaid health plan is contractually  
4 required to utilize the CMHSP in Kent County as the provider of  
5 behavioral health specialty supports and services.

6 (b) That any changes made to a Medicaid waiver or Medicaid  
7 state plan to implement the pilot project described in this  
8 subsection must only be in effect for the duration of the pilot  
9 project described in this subsection.

10 (c) That the project is consistent with the stated core values  
11 as identified in the final report of the workgroup established in  
12 section 298 of article X of 2016 PA 268.

13 (d) That updates are provided to the medical care advisory  
14 council, behavioral health advisory council, and developmental  
15 disabilities council.

16 (3) The department shall reduce the number of PIHPs providing  
17 Medicaid behavioral health managed care services to 4.

18 (a) The department shall maintain single-county PIHPs in each  
19 county that had a population greater than 800,000 according to the  
20 most recent decennial census.

21 (b) The department shall create a single PIHP for those  
22 counties not included in the PIHPs described in subdivision (a).

23 (c) The PIHPs described in this section shall operate in a  
24 manner consistent with the core values stated by the workgroup  
25 described in subsection (2).

26 (4) In addition to the pilot project described in subsection  
27 (2), the department shall implement up to 3 pilot projects to

1 achieve fully financially integrated Medicaid behavioral health and  
2 physical health benefit and financial integration demonstration  
3 models. These demonstration models shall use single contracts  
4 between the state and each licensed Medicaid health plan that is  
5 currently contracted to provide Medicaid services in the geographic  
6 area of the pilot project. The department shall ensure that the  
7 pilot projects described in this subsection are implemented in a  
8 manner that ensures at least all of the following:

9 (a) That allows the CMHSP in the geographic area of the pilot  
10 project to be a provider of behavioral health supports and  
11 services.

12 (b) That any changes made to a Medicaid waiver or Medicaid  
13 state plan to implement the pilot projects described in this  
14 subsection must only be in effect for the duration of the pilot  
15 projects described in this subsection.

16 (c) That the project is consistent with the stated core values  
17 as identified in the final report of the workgroup described in  
18 subsection (2).

19 (d) That updates are provided to the medical care advisory  
20 council, behavioral health advisory council, and developmental  
21 disabilities council.

22 (5) The department shall begin to implement the pilot projects  
23 and demonstration models described in subsections (2), (3), and (4)  
24 by no later than October 1, 2017 and shall implement the pilot  
25 projects and demonstration models described in subsections (2),  
26 (3), and (4) by no later than March 1, 2018. Each pilot project  
27 shall be designed to last at least 2 years.

1           (6) For the duration of any pilot projects and demonstration  
2 models, any and all realized benefits and cost savings of  
3 integrating the physical health and behavioral health systems shall  
4 be reinvested in services and supports for individuals having or at  
5 risk of having a mental illness, an intellectual or developmental  
6 disability, or a substance use disorder.

7           (7) It is the intent of the legislature that the primary  
8 purpose of the pilot projects and demonstration models is to test  
9 how the state may better integrate behavioral and physical health  
10 delivery systems in order to improve behavioral and physical health  
11 outcomes, maximize efficiencies, minimize unnecessary costs, and  
12 achieve material increases in behavioral health services without  
13 increases in overall Medicaid spending.

14           (8) The department shall contract with 1 of the state's  
15 research universities at least 6 months before the completion of  
16 each pilot project or demonstration model to evaluate the pilot  
17 project or demonstration model. The evaluation shall include  
18 information on the pilot project's or demonstration model's success  
19 in meeting the performance metrics developed in subsection (1) and  
20 information on whether the pilot project could be replicated into  
21 other geographic areas with similar performance metric outcomes.  
22 The evaluation shall also include a comparison of Michigan model  
23 outcomes with similar model outcomes in other states. The  
24 evaluation shall be completed within 6 months of the end of the  
25 pilot project or demonstration model and shall be provided to the  
26 department, the house and senate appropriations subcommittees on  
27 the department budget, the house and senate fiscal agencies, the

1 house and senate policy offices, and the state budget office.

2 (9) By October 1 of the current fiscal year, the department  
3 shall report to the house and senate appropriations subcommittees  
4 on the department budget, the house and senate fiscal agencies, the  
5 house and senate policy offices, and the state budget office on  
6 progress, a time frame for implementation, and any identified  
7 barriers to implementation and the remedies to address any  
8 identified barriers of the items described in subsections (2), (3),  
9 and (4). The report shall also include information on policy  
10 changes and any other efforts made to improve the coordination of  
11 supports and services for individuals having or at risk of having a  
12 mental illness, an intellectual or developmental disability, a  
13 substance use disorder, or a physical health need.

14 (10) Upon completion of any pilot projects or demonstration  
15 models advanced under this section, the managing entity of the  
16 pilot project or demonstration model shall submit a report to the  
17 senate and house appropriations subcommittees on the department  
18 budget, the senate and house fiscal agencies, the senate and house  
19 policy offices, and the state budget office within 30 days of  
20 completion of that pilot project or demonstration model detailing  
21 their experience, lessons learned, efficiencies and savings  
22 revealed, increases in investment on behavioral health services,  
23 and recommendations for extending pilot projects to full  
24 implementation or discontinuation.

25 Sec. 299. (1) No state department or agency shall issue a  
26 request for proposal (RFP) for a contract in excess of  
27 \$5,000,000.00, unless the department or agency has first considered



1 issuing a request for information (RFI) or a request for  
2 qualification (RFQ) relative to that contract to better enable the  
3 department or agency to learn more about the market for the  
4 products or services that are the subject of the RFP. The  
5 department or agency shall notify the department of technology,  
6 management, and budget of the evaluation process used to determine  
7 if an RFI or RFQ was not necessary prior to issuing the RFP.

8 (2) From funds appropriated in part 1, for all RFPs issued  
9 during the current fiscal year where an existing service received  
10 proposals by multiple vendors, the department shall notify all  
11 vendors within 30 days of the RFP decision. The notification to  
12 vendors shall include details on the RFP process, including the  
13 respective RFP scores and the respective cost for each vendor. If  
14 the highest scored RFP or lowest cost RFP does not receive the  
15 contract for an existing service offered by the department, the  
16 notification shall issue an explanation for the reasons that the  
17 highest scored RFP or lowest cost RFP did not receive the contract  
18 and detail the incremental cost target amount or service level  
19 required that was required to migrate the service to a new vendor.  
20 Additionally, the department shall include in the notification  
21 details as to why a cost or service difference is justifiable if  
22 the highest scored or lowest cost vendor does not receive the  
23 contract.

24 (3) The department shall submit to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, the senate and house policy offices, and  
27 the state budget office by September 30 of the current fiscal year

1 a report that summarizes all RFPs during the current fiscal year  
2 where an existing service received proposals by multiple vendors.  
3 The report shall list all finalized RFPs where there was a  
4 divergence from awarding the contract to the lowest cost or highest  
5 scoring vendor. The report shall also include the cost or service  
6 threshold required by department policy that must be satisfied in  
7 order for an existing contract to be received by new vendor.

8 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

9 Sec. 307. (1) From the funds appropriated in part 1 for  
10 demonstration projects, \$950,000.00 shall be distributed as  
11 provided in subsection (2). The amount distributed under this  
12 subsection shall not exceed 50% of the total operating expenses of  
13 the program described in subsection (2), with the remaining 50%  
14 paid by local United Way organizations and other nonprofit  
15 organizations and foundations.

16 (2) Funds distributed under subsection (1) shall be  
17 distributed to Michigan 2-1-1, a nonprofit corporation organized  
18 under the laws of this state that is exempt from federal income tax  
19 under section 501(c)(3) of the internal revenue code of 1986, 26  
20 USC 501, and whose mission is to coordinate and support a statewide  
21 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill  
22 the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in  
23 January 2005.

24 (3) Michigan 2-1-1 shall refer to the department any calls  
25 received reporting fraud, waste, or abuse of state-administered  
26 public assistance.

1 (4) Michigan 2-1-1 shall report annually to the department and  
2 the house and senate standing committees with primary jurisdiction  
3 over matters relating to human services and telecommunications on  
4 2-1-1 system performance, the senate and house appropriations  
5 subcommittees on the department budget, and the senate and house  
6 fiscal agencies, including, but not limited to, call volume by  
7 health and human service needs and unmet needs identified through  
8 caller data and customer satisfaction metrics.

9 Sec. 310. It is the intent of the legislature that the  
10 department shall work with youth-oriented nonprofit organizations  
11 to provide mentoring programming for children of incarcerated  
12 parents and other at-risk children.

13 Sec. 316. From the funds appropriated in part 1 for terminal  
14 leave payments, the department shall not spend in excess of its  
15 annual gross appropriation unless it identifies and requests a  
16 legislative transfer from another budgetary line item supporting  
17 administrative costs, as provided by section 393(2) of the  
18 management and budget act, 1984 PA 431, MCL 18.1393.

19 **CHILD SUPPORT ENFORCEMENT**

20 Sec. 401. (1) The appropriations in part 1 assume a total  
21 federal child support incentive payment of \$26,500,000.00.

22 (2) From the federal money received for child support  
23 incentive payments, \$12,000,000.00 shall be retained by the state  
24 and expended for child support program expenses.

25 (3) From the federal money received for child support  
26 incentive payments, \$14,500,000.00 shall be paid to the counties

1 based on each county's performance level for each of the federal  
2 performance measures as established in 45 CFR 305.2.

3 (4) If the child support incentive payment to the state from  
4 the federal government is greater than \$26,500,000.00, then 100% of  
5 the excess shall be retained by the state and is appropriated until  
6 the total retained by the state reaches \$15,397,400.00.

7 (5) If the child support incentive payment to the state from  
8 the federal government is greater than the amount needed to satisfy  
9 the provisions identified in subsections (1), (2), (3), and (4),  
10 the additional funds shall be subject to appropriation by the  
11 legislature.

12 (6) If the child support incentive payment to the state from  
13 the federal government is less than \$26,500,000.00, then the state  
14 and county share shall each be reduced by 50% of the shortfall.

15 Sec. 409. (1) If statewide retained child support collections  
16 exceed \$38,300,000.00, 75% of the amount in excess of  
17 \$38,300,000.00 is appropriated to legal support contracts. This  
18 excess appropriation may be distributed to eligible counties to  
19 supplement and not supplant county title IV-D funding.

20 (2) Each county whose retained child support collections in  
21 the current fiscal year exceed its fiscal year 2004-2005 retained  
22 child support collections, excluding tax offset and financial  
23 institution data match collections in both the current fiscal year  
24 and fiscal year 2004-2005, shall receive its proportional share of  
25 the 75% excess.

26 Sec. 410. (1) If title IV-D-related child support collections  
27 are escheated, the state budget director is authorized to adjust

1 the sources of financing for the funds appropriated in part 1 for  
2 legal support contracts to reduce federal authorization by 66% of  
3 the escheated amount and increase general fund/general purpose  
4 authorization by the same amount. This budget adjustment is  
5 required to offset the loss of federal revenue due to the escheated  
6 amount being counted as title IV-D program income in accordance  
7 with federal regulations at 45 CFR 304.50.

8 (2) The department shall notify the chairs of the house and  
9 senate appropriations subcommittees on the department budget and  
10 the house and senate fiscal agencies within 15 days of the  
11 authorization adjustment in subsection (1).

#### 12 **COMMUNITY SERVICES AND OUTREACH**

13 Sec. 450. (1) From the funds appropriated in part 1 for school  
14 success partnership program, the department shall allocate  
15 \$450,000.00 by December 1 of the current fiscal year to support the  
16 Northeast Michigan Community Service Agency programming, which will  
17 take place in each county in the Governor's Prosperity Region 3.  
18 The department shall require the following performance objectives  
19 be measured and reported for the duration of the state funding for  
20 the school success partnership program:

21 (a) Increasing school attendance and decreasing chronic  
22 absenteeism.

23 (b) Increasing academic performance based on grades with  
24 emphasis on math and reading.

25 (c) Identifying barriers to attendance and success and  
26 connecting families with resources to reduce these barriers.

1 (d) Increasing parent involvement with the parent's child's  
2 school and community.

3 (2) The Northeast Michigan Community Service Agency shall  
4 provide reports to the department on January 31 and June 30 of the  
5 current fiscal year on the number of children and families served  
6 and the services that were provided to families to meet the  
7 performance objectives identified in this section. The department  
8 shall distribute the reports within 1 week after receipt to the  
9 senate and house appropriations subcommittees on the department  
10 budget, the senate and house fiscal agencies, the senate and house  
11 policy offices, and the state budget office.

12 Sec. 452. From the funds appropriated in part 1 for crime  
13 victim justice assistance grants, the department shall continue to  
14 support forensic nurse examiner programs to facilitate training for  
15 improved evidence collection for the prosecution of sexual assault.  
16 The funds shall be used for program coordination and training.

17 Sec. 453. From the funds appropriated in part 1 for homeless  
18 programs, the department shall increase emergency shelter program  
19 per diem rates to \$16.00 per bed night to support efforts of  
20 shelter providers to move homeless individuals and households into  
21 permanent housing as quickly as possible. The purpose of this  
22 enhancement is to increase the number of shelter discharges to  
23 stable housing destinations, decrease recidivism rates for shelter  
24 clients, and reduce the average length of stay in emergency  
25 shelters.

26 Sec. 454. The department shall allocate the full amount of  
27 funds appropriated in part 1 for homeless programs to provide

1 services for homeless individuals and families, including, but not  
2 limited to, third-party contracts for emergency shelter services.

3 Sec. 455. As a condition of receipt of federal TANF funds,  
4 homeless shelters and human services agencies shall collaborate  
5 with the department to obtain necessary TANF eligibility  
6 information on families as soon as possible after admitting a  
7 family to the homeless shelter. From the funds appropriated in part  
8 1 for homeless programs, the department is authorized to make  
9 allocations of TANF funds only to the homeless shelters and human  
10 services agencies that report necessary data to the department for  
11 the purpose of meeting TANF eligibility reporting requirements.  
12 Homeless shelters or human services agencies that do not report  
13 necessary data to the department for the purpose of meeting TANF  
14 eligibility reporting requirements will not receive reimbursements  
15 that exceed the per diem amount they received in fiscal year 2000.  
16 The use of TANF funds under this section is not an ongoing  
17 commitment of funding.

18 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

19 Sec. 501. (1) A goal is established that not more than 25% of  
20 all children in foster care at any given time during the current  
21 fiscal year will have been in foster care for 24 months or more.

22 (2) By March 1 of the current fiscal year, the department  
23 shall provide to the senate and house appropriations subcommittees  
24 on the department budget, the senate and house fiscal agencies, the  
25 senate and house policy offices, and the state budget office a  
26 report describing the steps that will be taken to achieve the

1 specific goal established in this section and on the percentage of  
2 children who currently are in foster care and who have been in  
3 foster care a total of 24 or more months.

4 Sec. 502. From the funds appropriated in part 1 for foster  
5 care, the department shall provide 50% reimbursement to Indian  
6 tribal governments for foster care expenditures for children who  
7 are under the jurisdiction of Indian tribal courts and who are not  
8 otherwise eligible for federal foster care cost sharing.

9 Sec. 503. (1) In accordance with the final report of the  
10 Michigan child welfare performance-based funding task force issued  
11 in response to section 503 of article X of 2013 PA 59, the  
12 department shall continue to develop actuarially sound case rates  
13 for necessary out-of-home child welfare services that achieve  
14 permanency by the department and private child placing agencies in  
15 a prospective payment system under a performance-based funding  
16 model.

17 (2) The department shall continue to develop a prospective  
18 rate payment system for private agencies that includes funding for  
19 adoption incentive payments. The full cost prospective rate payment  
20 system will identify and cover contractual costs paid through the  
21 case rate developed by an independent actuary.

22 (3) By March 1 of the current fiscal year, the department  
23 shall provide to the senate and house appropriations committees on  
24 the department budget, the senate and house fiscal agencies and  
25 policy offices, and the state budget office a report on the full  
26 cost analysis of the performance-based funding model. The report  
27 shall include background information on the project and give



1 details about the contractual costs covered through the case rate.

2 (4) In accordance with the final report of the Michigan child  
3 welfare performance-based funding task force issued in response to  
4 section 503 of article X of 2013 PA 59, the department shall  
5 continue an independent, third-party evaluation of the performance-  
6 based funding model. The evaluator shall be selected through a  
7 competitive process by a rating committee that includes, but is not  
8 limited to, representatives from the department and private child  
9 placing agencies.

10 (5) The department shall only implement the performance-based  
11 funding model into additional counties where the department,  
12 private child welfare agencies, the county, and the court operating  
13 within that county have signed a memorandum of understanding that  
14 incorporates the intentions of the concerned parties in order to  
15 implement the performance-based funding model.

16 (6) The department, in conjunction with members from both the  
17 house of representatives and senate, private child placing  
18 agencies, the courts, and counties shall implement the  
19 recommendations that are described in the workgroup report that was  
20 provided in section 503 of article X of 2013 PA 59 to establish a  
21 performance-based funding for public and private child welfare  
22 services providers. The department shall provide a quarterly report  
23 on the status of the performance-based contracting model to the  
24 senate and house appropriations subcommittees on the department  
25 budget, the senate and house standing committees on families and  
26 human services, and the senate and house fiscal agencies and policy  
27 offices.

1           (7) From the funds appropriated in part 1 for the performance-  
2 based funding model pilot, the department shall continue to work  
3 with the West Michigan Partnership for Children Consortium on the  
4 implementation of the performance-based funding model pilot. The  
5 consortium shall accept and comprehensively assess referred youth,  
6 assign cases to members of its continuum or leverage services from  
7 other entities, and make appropriate case management decisions  
8 during the duration of a case. The consortium shall operate an  
9 integrated continuum of care structure, with services provided by  
10 both private and public agencies, based on individual case needs.  
11 The consortium shall demonstrate significant organizational  
12 capacity and competencies, including experience with managing risk-  
13 based contracts, financial strength, experienced staff and  
14 leadership, and appropriate governance structure.

15           Sec. 504. (1) The department may establish a master agreement  
16 with the West Michigan Partnership for Children Consortium for a  
17 performance-based child welfare contracting pilot program. The  
18 consortium shall consist of a network of affiliated child welfare  
19 service providers that will accept and comprehensively assess  
20 referred youth, assign cases to members of its continuum or  
21 leverage services from other entities, and make appropriate case  
22 management decisions during the duration of a case.

23           (2) The consortium shall operate an integrated continuum of  
24 care structure, with services provided by private or public  
25 agencies, based on individual case needs.

26           (3) By March 1 of the current fiscal year, the consortium  
27 shall provide to the department and the house and senate

1 appropriations subcommittees on the department budget a report on  
2 the consortium, including, but not limited to, actual expenditures,  
3 number of children placed by agencies in the consortium, fund  
4 balance of the consortium, and the status of the consortium  
5 evaluation.

6       Sec. 505. By March 1 of the current fiscal year, the  
7 department shall provide to the senate and house appropriations  
8 subcommittees on the department budget, the senate and house fiscal  
9 agencies and policy offices, and the state budget office a report  
10 for youth referred or committed to the department for care or  
11 supervision in the previous fiscal year and in the first quarter of  
12 the current fiscal year outlining the number of youth within the  
13 juvenile justice system, the type of setting for each youth,  
14 performance outcomes, and financial costs or savings.

15       Sec. 507. The department's ability to satisfy appropriation  
16 deducts in part 1 for foster care private collections shall not be  
17 limited to collections and accruals pertaining to services provided  
18 only in the current fiscal year but may include revenues collected  
19 during the current fiscal year for services provided in prior  
20 fiscal years.

21       Sec. 508. (1) In addition to the amount appropriated in part 1  
22 for children's trust fund grants, money granted or money received  
23 as gifts or donations to the children's trust fund created by 1982  
24 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

25       (2) The department and the child abuse and neglect prevention  
26 board shall collaborate to ensure that administrative delays are  
27 avoided and the local grant recipients and direct service providers

1 receive money in an expeditious manner. The department and board  
2 shall make available the children's trust fund contract funds to  
3 grantees within 31 days of the start date of the funded project.

4 Sec. 511. The department shall provide semiannual reports to  
5 the senate and house appropriations subcommittees on the department  
6 budget, the senate and house standing committees on families and  
7 human services, and the senate and house fiscal agencies and policy  
8 offices on the number and percentage of children who received  
9 timely health examinations after entry into foster care and the  
10 number and percentage of children entering foster care who received  
11 a required mental health examination after entry into foster care.

12 Sec. 512. (1) By March 1 of the current fiscal year, the  
13 department shall report to the senate and house appropriations  
14 subcommittees on the department budget, the senate and house fiscal  
15 agencies, the senate and house policy offices, and the state budget  
16 office on the following information from the previous fiscal year:

17 (a) The total number of relative care placements.

18 (b) The number of relative care placements ordered by the  
19 court in accordance with the department's recommendation.

20 (c) The number of relative care placements ordered by the  
21 court contrary to the department's recommendation.

22 (d) The number of relative care placements placed by the  
23 department.

24 (e) The total number of relatives with a placement who became  
25 licensed.

26 (f) The number of waivers of foster care licensure granted to  
27 relative care providers.

1 (g) The number of waivers of foster care denied to relative  
2 care providers.

3 (h) A list of the reasons the department denied granting a  
4 waiver of foster care licensure for a relative care provider.

5 (i) A list of the reasons that relatives were declined foster  
6 care licensure as documented by the department.

7 (j) The number of children removed from relative care  
8 placement after their relative care providers were unable to  
9 qualify for the foster care licensure waiver.

10 (k) The projected cost if all relative care providers became  
11 licensed.

12 (l) The projected cost if all relative care providers became  
13 eligible to receive assistance from the child care fund regardless  
14 of licensure.

15 (2) The caseworker shall request a waiver of foster care  
16 licensure if both of the following apply:

17 (a) The caseworker has fully informed the relative of the  
18 benefits of licensure and the option of a licensure waiver.

19 (b) The caseworker has assessed the relative and the  
20 relative's home using the department's initial relative safety  
21 screen and the department's relative home assessment and has  
22 determined that the relative's home is safe and placement there is  
23 in the child's best interest.

24 Sec. 513. (1) The department shall not expend funds  
25 appropriated in part 1 to pay for the direct placement by the  
26 department of a child in an out-of-state facility unless all of the  
27 following conditions are met:

1 (a) There is no appropriate placement available in this state  
2 as determined by the department interstate compact office.

3 (b) An out-of-state placement exists that is nearer to the  
4 child's home than the closest appropriate in-state placement as  
5 determined by the department interstate compact office.

6 (c) The out-of-state facility meets all of the licensing  
7 standards of this state for a comparable facility.

8 (d) The out-of-state facility meets all of the applicable  
9 licensing standards of the state in which it is located.

10 (e) The department has done an on-site visit to the out-of-  
11 state facility, reviewed the facility records, reviewed licensing  
12 records and reports on the facility, and believes that the facility  
13 is an appropriate placement for the child.

14 (2) The department shall not expend money for a child placed  
15 in an out-of-state facility without approval of the executive  
16 director of the children's services agency.

17 (3) The department shall submit an annual report to the state  
18 court administrative office, the house and senate appropriations  
19 subcommittees on the department budget, the house and senate fiscal  
20 agencies, the house and senate policy offices, and the state budget  
21 office on the number of Michigan children residing in out-of-state  
22 facilities at the time of the report, the total cost and average  
23 per diem cost of these out-of-state placements to this state, and a  
24 list of each such placement arranged by the Michigan county of  
25 residence for each child.

26 (4) It is the intent of the legislature that the department  
27 shall work in conjunction with the courts and the state court

1 administrative office to identify data needed to calculate  
2 statewide recidivism rates for adjudicated youth placed in either  
3 residential secure or nonsecure facilities, defined at 6 months  
4 after a youth is released from placement.

5 (5) By March 1 of the current fiscal year, the department  
6 shall notify the legislature on the status of efforts to accomplish  
7 the intent of subsection (4).

8 Sec. 514. The department shall make a comprehensive report  
9 concerning children's protective services (CPS) to the legislature,  
10 including the senate and house policy offices and the state budget  
11 director, by March 1 of the current fiscal year, that shall include  
12 all of the following:

13 (a) Statistical information including, but not limited to, all  
14 of the following:

15 (i) The total number of reports of child abuse or child  
16 neglect investigated under the child protection law, 1975 PA 238,  
17 MCL 722.621 to 722.638, and the number of cases classified under  
18 category I or category II and the number of cases classified under  
19 category III, category IV, or category V.

20 (ii) Characteristics of perpetrators of child abuse or child  
21 neglect and the child victims, such as age, relationship, race, and  
22 ethnicity and whether the perpetrator exposed the child victim to  
23 drug activity, including the manufacture of illicit drugs, that  
24 exposed the child victim to substance abuse, a drug house, or  
25 methamphetamine.

26 (iii) The mandatory reporter category in which the individual  
27 who made the report fits, or other categorization if the individual

1 is not within a group required to report under the child protection  
2 law, 1975 PA 238, MCL 722.621 to 722.638.

3 (iv) The number of cases that resulted in the separation of  
4 the child from the parent or guardian and the period of time of  
5 that separation, up to and including termination of parental  
6 rights.

7 (v) For the reported complaints of child abuse or child  
8 neglect by teachers, school administrators, and school counselors,  
9 the number of cases classified under category I or category II and  
10 the number of cases classified under category III, category IV, or  
11 category V.

12 (vi) For the reported complaints of child abuse or child  
13 neglect by teachers, school administrators, and school counselors,  
14 the number of cases that resulted in separation of the child from  
15 the parent or guardian and the period of time of that separation,  
16 up to and including termination of parental rights.

17 (b) New policies related to children's protective services  
18 including, but not limited to, major policy changes and court  
19 decisions affecting the children's protective services system  
20 during the immediately preceding 12-month period.

21 (c) Statistical information regarding families that were  
22 classified in category III, including, but not limited to, all of  
23 the following:

24 (i) The total number of cases classified in category III.

25 (ii) The number of cases in category III referred to voluntary  
26 community services and closed with no additional monitoring.

27 (iii) The number of cases in category III referred to



1 voluntary community services and monitored for up to 90 days.

2 (iv) The number of cases in category III for which the  
3 department entered more than 1 determination that there was  
4 evidence of child abuse or child neglect.

5 (v) The number of cases in category III that the department  
6 reclassified from category III to category II.

7 (vi) The number of cases in category III that the department  
8 reclassified from category III to category I.

9 (vii) The number of cases in category III that the department  
10 reclassified from category III to category I that resulted in a  
11 removal.

12 (d) The department policy, or changes to the department  
13 policy, regarding children who have been exposed to the production  
14 or manufacture of methamphetamines.

15 Sec. 519. The department shall permit any private agency that  
16 has an existing contract with this state to provide foster care  
17 services to be also eligible to provide treatment foster care  
18 services.

19 Sec. 522. (1) From the funds appropriated in part 1 for youth  
20 in transition, the department shall allocate \$750,000.00 for  
21 college scholarships through the fostering futures scholarship  
22 program in the Michigan education trust to youths who were in  
23 foster care because of child abuse or child neglect and are  
24 attending a college located in this state. Of the funds  
25 appropriated, 100% shall be used to fund scholarships for the  
26 youths described in this section.

27 (2) By March 1 of the current fiscal year, the department

1 shall provide a report to the senate and house appropriations  
2 subcommittees on the department budget, the senate and house fiscal  
3 agencies, the senate and house policy offices, and the state budget  
4 office that includes the number of youths who received scholarships  
5 and the amount of each scholarship, and the total amount of funds  
6 spent or encumbered in the current fiscal year.

7       Sec. 523. (1) By February 15 of the current fiscal year, the  
8 department shall report on the families first, family  
9 reunification, and families together building solutions family  
10 preservation programs to the senate and house appropriations  
11 subcommittees on the department budget, the senate and house fiscal  
12 agencies, the senate and house policy offices, and the state budget  
13 office. The report shall provide an estimate of total costs savings  
14 as a result of avoiding placement of children in foster care for  
15 families who received family preservation services and shall  
16 include information for each program on any innovations that may  
17 increase savings or reductions in administrative costs.

18       (2) From the funds appropriated in part 1 for youth in  
19 transition and domestic violence prevention and treatment, the  
20 department is authorized to make allocations of TANF funds only to  
21 agencies that report necessary data to the department for the  
22 purpose of meeting TANF eligibility reporting requirements.

23       Sec. 524. As a condition of receiving funds appropriated in  
24 part 1 for strong families/safe children, counties must submit the  
25 service spending plan to the department by October 1 of the current  
26 fiscal year for approval. The department shall approve the service  
27 spending plan within 30 calendar days after receipt of a properly

1 completed service spending plan.

2       Sec. 525. The department shall implement the same on-site  
3 evaluation processes for privately operated child welfare and  
4 juvenile justice residential facilities as is used to evaluate  
5 state-operated facilities. Penalties for noncompliance shall be the  
6 same for privately operated child welfare and juvenile justice  
7 residential facilities and state-operated facilities.

8       Sec. 526. From the funds appropriated in part 1 for foster  
9 care payments and related administrative costs, the department may  
10 implement the federally approved title IV-E child welfare waiver  
11 demonstration project. As required under the waiver, any savings  
12 resulting from the demonstration project must be quantified and  
13 reinvested into child welfare programming.

14       Sec. 531. The department shall notify the house and senate  
15 appropriations subcommittees on the department budget, the house  
16 and senate fiscal agencies, and the house and senate policy offices  
17 of any changes to a child welfare master contract template,  
18 including the adoption master contract template, the independent  
19 living plus master contract template, the child placing agency  
20 foster care master contract template, and the residential foster  
21 care juvenile justice master contract template, not less than 30  
22 days before the change takes effect.

23       Sec. 532. The department, in collaboration with  
24 representatives of private child and family agencies, shall revise  
25 and improve the annual licensing review process and the annual  
26 contract compliance review process for child placing agencies and  
27 child caring institutions. The improvement goals shall be safety

1 and care for children. Improvements to the review process shall be  
2 directed toward alleviating administrative burdens so that agency  
3 resources may be focused on children. The revision shall include  
4 identification of duplicative staff activities and information  
5 sought from child placing agencies and child caring institutions in  
6 the annual review process. The department shall report to the  
7 senate and house appropriations subcommittees on the department  
8 budget, the senate and house fiscal agencies and policy offices,  
9 and the state budget director on or before January 15 of the  
10 current fiscal year on the findings of the annual licensing review  
11 and include summaries of actions undertaken to revise, improve, and  
12 identify weaknesses in the current annual licensing process and  
13 annual contract compliance.

14       Sec. 533. (1) The department shall make payments to child  
15 placing facilities for in-home and out-of-home care services and  
16 adoption services within 30 days of receiving all necessary  
17 documentation from those agencies. It is the intent of the  
18 legislature that the burden of ensuring that these payments are  
19 made in a timely manner and no payments are in arrears is upon the  
20 department.

21       (2) By March 1 of the current fiscal year, the department  
22 shall submit a report to the senate and house appropriations  
23 subcommittees on the department budget, the senate and house fiscal  
24 agencies, the senate and house policy offices, and the state budget  
25 office that details each private child placing agency and the  
26 percentage of payments that were in excess of 30 days during the  
27 entire prior fiscal year and the first quarter of the current

1 fiscal year.

2       Sec. 537. (1) The department, in collaboration with child  
3 placing agencies, shall develop a strategy to implement section  
4 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The  
5 strategy shall include a requirement that a department caseworker  
6 responsible for preparing a recommendation to a court concerning a  
7 juvenile placement shall provide, as part of the recommendation,  
8 information regarding the requirements of section 115o of the  
9 social welfare act, 1939 PA 280, MCL 400.115o.

10       (2) By March 1 of the current fiscal year, the department  
11 shall provide to the senate and house appropriations subcommittees  
12 on the department budget, the senate and house fiscal agencies, the  
13 senate and house policy offices, and the state budget office a  
14 report on the strategy described in subsection (1).

15       Sec. 540. If a physician or psychiatrist who is providing  
16 services to state or court wards placed in a residential facility  
17 submits a formal request to the department to change the  
18 psychotropic medication of a ward, the department shall, if the  
19 ward is a state ward, make a determination on the proposed change  
20 within 7 business days after the request or, if the ward is a  
21 temporary court ward, seek parental consent within 7 business days  
22 after the request. If parental consent is not provided within 7  
23 business days, the department shall petition the court on the  
24 eighth business day.

25       Sec. 546. (1) From the funds appropriated in part 1 for foster  
26 care payments and from child care fund, the department shall pay  
27 providers of general foster care, independent living, and trial

1 reunification services not less than a \$37.00 administrative rate.

2 (2) From the funds appropriated in part 1, the department  
3 shall pay providers of independent living plus services statewide  
4 per diem rates for staff-supported housing and host-home housing  
5 based on proposals submitted in response to a solicitation for  
6 pricing. The independent living plus program provides staff-  
7 supported housing and services for foster youth ages 16 through 19  
8 who, because of their individual needs and assessments, are not  
9 initially appropriate for general independent living foster care.

10 (3) From the funds appropriated in part 1, the department  
11 shall pay providers of foster care services an additional \$9.20  
12 administrative rate, if section 117a of the social welfare act,  
13 1939 PA 280, MCL 400.117a, is amended to eliminate the county match  
14 rate for the additional administrative rate provided in this  
15 subsection. Payments under this subsection shall be made, not less  
16 than, on a monthly basis.

17 (4) If required by the federal government to meet title IV-E  
18 requirements, providers of foster care services shall submit  
19 quarterly expenditure reports to the department to identify actual  
20 costs of providing foster care services.

21 (5) From the funds appropriated in part 1, the department  
22 shall provide an increase to each private provider of residential  
23 services, if section 117a of the social welfare act, 1939 PA 280,  
24 MCL 400.117a, is amended to eliminate the county match rate for the  
25 additional rate provided in this section.

26 Sec. 547. From the funds appropriated in part 1 for the  
27 guardianship assistance program, the department shall pay a minimum

1 rate that is not less than the approved age-appropriate payment  
2 rates for youth placed in family foster care.

3 Sec. 550. (1) The department shall not offset against  
4 reimbursement payments to counties or seek reimbursement from  
5 counties for charges that were received by the department more than  
6 12 months before the department seeks to offset against  
7 reimbursement. A county shall not request reimbursement for and  
8 reimbursement payments shall not be paid for a charge that is more  
9 than 12 months after the date of service or original status  
10 determination when initially submitted by the county.

11 (2) Subsequent to any original funding source determination  
12 made by the department for the status of a youth, the department  
13 shall not seek reimbursement from a county if the funding source  
14 status of a youth has changed.

15 Sec. 551. The department shall respond to counties within 30  
16 days regarding any request for a clarification requested through  
17 the department's child care fund management unit electronic mail  
18 address.

19 Sec. 552. Sixty days after a county's child care fund on-site  
20 review is completed, the department shall provide the results of  
21 the review to the county.

22 Sec. 558. (1) The department shall permit private nationally  
23 accredited foster care and adoption agencies to conduct their own  
24 staff training, based on current department policies and  
25 procedures, if the agency trainer and training materials are  
26 certified by the department through a train the trainer model and  
27 that the agency documents to the department that the training was

1 provided. The department shall provide access to all training  
2 materials the private agencies will need to facilitate this  
3 training.

4 (2) The department shall post on the department's website a  
5 list of all relevant departmental training materials available to  
6 private nationally accredited foster care and adoption agencies  
7 that are allowed to conduct their own training in accordance with  
8 this section. The department shall also provide to private child  
9 placing agencies that are allowed to conduct their own training any  
10 updated training materials as those materials become available.

11 Sec. 559. (1) From the funds appropriated in part 1 for  
12 adoption support services, the department shall allocate  
13 \$250,000.00 to the Adoptive Family Support Network by December 1 of  
14 the current fiscal year to operate and expand its adoptive parent  
15 mentor program to provide a listening ear, knowledgeable guidance,  
16 and community connections to adoptive parents and children who were  
17 adopted in this state or another state.

18 (2) The Adoptive Family Support Network shall submit to the  
19 senate and house appropriations subcommittees on the department  
20 budget, the senate and house fiscal agencies, the senate and house  
21 policy offices, and the state budget office by March 1 of the  
22 current fiscal year a report on the program described in subsection  
23 (1), including, but not limited to, the number of cases served and  
24 the number of cases in which the program prevented an out-of-home  
25 placement.

26 Sec. 562. The department shall provide time and travel  
27 reimbursements for foster parents who transport a foster child to



1 parent-child visitations. As part of the foster care parent  
2 contract, the department shall provide written confirmation to  
3 foster parents that states that the foster parents have the right  
4 to request these reimbursements for all parent-child visitations.  
5 The department shall provide these reimbursements within 60 days of  
6 receiving a request for eligible reimbursements from a foster  
7 parent.

8       Sec. 564. (1) The department shall develop a clear policy for  
9 parent-child visitations. The local county offices, caseworkers,  
10 and supervisors shall meet an 85% success rate, after accounting  
11 for factors outside of the caseworkers' control.

12       (2) Per the court-ordered number of required meetings between  
13 caseworkers and a parent, the caseworkers shall achieve a success  
14 rate of 85%, after accounting for factors outside of the  
15 caseworkers' control.

16       (3) By March 1 of the current fiscal year, the department  
17 shall provide to the senate and house appropriations subcommittees  
18 on the department budget, the senate and house fiscal agencies, the  
19 senate and house policy offices, and the state budget office a  
20 report on the following:

21       (a) The percentage of success rate for parent-child  
22 visitations and court-ordered required meetings between caseworkers  
23 referenced in subsections (1) and (2) for the previous year.

24       (b) The barriers to achieve the success rates in subsections  
25 (1) and (2) and how this information is tracked.

26       Sec. 567. The department shall submit to the senate and house  
27 appropriations subcommittees on the department budget, the senate

1 and house fiscal agencies, the senate and house policy offices, and  
2 the state budget office by March 1 of the current fiscal year a  
3 report on completion of medical passports for children in foster  
4 care, including the following:

5 (a) The percentage of medical passports that were properly  
6 filled out.

7 (b) From the total medical passports transferred, the  
8 percentage that transferred within 2 weeks from the date of  
9 placement or return to the home.

10 (c) From the total school records, the percentage that  
11 transferred within 2 weeks from the date of placement or return to  
12 the home.

13 (d) The implementation steps that have been taken to improve  
14 the outcomes for the measures in subdivisions (a) and (b).

15 Sec. 569. The department shall reimburse private child placing  
16 agencies that complete adoptions at the rate according to the date  
17 on which the petition for adoption and required support  
18 documentation was accepted by the court and not according to the  
19 date the court's order placing for adoption was entered.

20 Sec. 573. The department may pay providers of foster care  
21 services a per diem daily administrative rate for every case on a  
22 caseworker's caseload for the duration of a case from referral  
23 acceptance to the discharge of wardship.

24 Sec. 574. (1) From the funds appropriated in part 1 for foster  
25 care payments, \$3,500,000.00 is allocated to support performance-  
26 based contracts with child placing agencies to facilitate the  
27 licensure of relative caregivers as foster parents. Agencies shall

1 receive \$4,500.00 for each facilitated licensure if completed  
2 within 180 days after case acceptance, or, if a waiver was  
3 previously approved, 180 days from the referral date. If the  
4 facilitated licensure, or approved waiver, is completed after 180  
5 days, the agency shall receive up to \$3,500.00. The agency  
6 facilitating the licensure would retain the placement and continue  
7 to provide case management services for the newly licensed cases  
8 for which the placement was appropriate to the agency.

9 (2) From the funds appropriated for foster care payments,  
10 \$375,000.00 is allocated to support family incentive grants to  
11 private and community-based foster care service providers to assist  
12 with home improvements or payment for physical exams for applicants  
13 needed by foster families to accommodate foster children.

14 Sec. 583. By February 1 of the current fiscal year, the  
15 department shall provide to the senate and house appropriations  
16 subcommittees on the department budget, the senate and house  
17 standing committees on families and human services, the senate and  
18 house fiscal agencies and policy offices, and the state budget  
19 office a report that includes:

20 (a) The number and percentage of foster parents that dropped  
21 out of the program in the previous fiscal year and the reasons the  
22 foster parents left the program and how those figures compare to  
23 prior fiscal years.

24 (b) The number and percentage of foster parents successfully  
25 retained in the previous fiscal year and how those figures compare  
26 to prior fiscal years.

27 Sec. 585. The department shall make available at least 1 pre-

1 service training class each month in which new caseworkers for  
2 private foster care and adoption agencies can enroll.

3 Sec. 588. (1) Concurrently with public release, the department  
4 shall transmit all reports from the court-appointed settlement  
5 monitor, including, but not limited to, the needs assessment and  
6 period outcome reporting, to the state budget office, the senate  
7 and house appropriations subcommittees on the department budget,  
8 and the senate and house fiscal agencies and policy offices,  
9 without revision.

10 (2) The department shall report quarterly to the state budget  
11 office, the senate and house appropriations subcommittees on the  
12 department budget, the senate and house fiscal agencies, and the  
13 senate and house policy offices on the number of children enrolled  
14 in the guardianship assistance and foster care - children with  
15 serious emotional disturbance waiver programs.

16 Sec. 589. (1) From the funds appropriated in part 1 for child  
17 care fund, the department shall pay 100% of the administrative rate  
18 for all new cases referred to providers of foster care services.

19 (2) On a monthly basis, the department shall report on the  
20 number of all foster care cases administered by the department and  
21 all foster care cases administered by private providers.

22 Sec. 590. From funds appropriated in part 1 for youth in  
23 transition, \$280,000.00 shall be awarded to a charter high school  
24 for students ages 16 to 22 who have previously dropped out or are  
25 at risk of not graduating on time operating in a county with a  
26 population of greater than 172,000 but less than 175,000 according  
27 to the most recent federal decennial census. It is the intent of

1 the legislature that this is the second year out of 3 years that  
2 funding is to be provided by the legislature for the charter high  
3 school described in this section.

4 Sec. 593. The department may allow residential service  
5 providers for child abuse and child neglect cases to implement a  
6 staff ratio during working hours of 1 staff to 5 children.

7 Sec. 594. From the funds appropriated in part 1 for foster  
8 care payments, the department shall support regional resource teams  
9 to provide for the recruitment, retention, and training of foster  
10 and adoptive parents and shall expand the Michigan youth  
11 opportunities initiative to all Michigan counties. The purpose of  
12 this investment is to increase the number of annual inquiries from  
13 prospective foster parents, increase the number of nonrelative  
14 foster homes that achieve licensure each year, increase the annual  
15 retention rate of nonrelative foster homes, reduce the number of  
16 older foster youth placed outside of family settings, and provide  
17 older youth with enhanced support in transitioning to adulthood.

#### 18 **PUBLIC ASSISTANCE**

19 Sec. 601. Whenever a client agrees to the release of his or  
20 her name and address to the local housing authority, the department  
21 shall request from the local housing authority information  
22 regarding whether the housing unit for which vendoring has been  
23 requested meets applicable local housing codes. Vendoring shall be  
24 terminated for those units that the local authority indicates in  
25 writing do not meet local housing codes until such time as the  
26 local authority indicates in writing that local housing codes have

1    been met.

2           Sec. 602. The department shall establish a policy to conduct a  
3    full evaluation of an individual's assistance needs if the  
4    individual has applied for disability more than 1 time within a 1-  
5    year period.

6           Sec. 603. By March 1 of the current fiscal year, the  
7    department shall provide to the senate and house appropriations  
8    subcommittees on the department budget, the senate and house fiscal  
9    agencies, the senate and house policy offices, and the state budget  
10   office a report on continued work effort on the action plan  
11   developed by the Medicaid claim workgroup established in section  
12   603 of article X of 2014 PA 252, including the steps taken to  
13   implement the action plan developed by the workgroup, and the  
14   department's ongoing efforts to maximize Medicaid claims for foster  
15   children and adjudicated youths and any developments to the  
16   Medicaid program that could affect foster children and adjudicated  
17   youths.

18          Sec. 604. (1) The department shall operate a state disability  
19   assistance program. Except as provided in subsection (3), persons  
20   eligible for this program shall include needy citizens of the  
21   United States or aliens exempted from the supplemental security  
22   income citizenship requirement who are at least 18 years of age or  
23   emancipated minors meeting 1 or more of the following requirements:

24          (a) A recipient of supplemental security income, social  
25   security, or medical assistance due to disability or 65 years of  
26   age or older.

27          (b) A person with a physical or mental impairment that meets

1 federal supplemental security income disability standards, except  
2 that the minimum duration of the disability shall be 90 days.  
3 Substance use disorder alone is not defined as a basis for  
4 eligibility.

5 (c) A resident of an adult foster care facility, a home for  
6 the aged, a county infirmary, or a substance use disorder treatment  
7 center.

8 (d) A person receiving 30-day postresidential substance use  
9 disorder treatment.

10 (e) A person diagnosed as having acquired immunodeficiency  
11 syndrome.

12 (f) A person receiving special education services through the  
13 local intermediate school district.

14 (g) A caretaker of a disabled person who meets the  
15 requirements specified in subdivision (a), (b), (e), or (f).

16 (2) Applicants for and recipients of the state disability  
17 assistance program shall be considered needy if they:

18 (a) Meet the same asset test as is applied for the family  
19 independence program.

20 (b) Have a monthly budgetable income that is less than the  
21 payment standards.

22 (3) Except for a person described in subsection (1)(c) or (d),  
23 a person is not disabled for purposes of this section if his or her  
24 drug addiction or alcoholism is a contributing factor material to  
25 the determination of disability. "Material to the determination of  
26 disability" means that, if the person stopped using drugs or  
27 alcohol, his or her remaining physical or mental limitations would

1 not be disabling. If his or her remaining physical or mental  
2 limitations would be disabling, then the drug addiction or  
3 alcoholism is not material to the determination of disability and  
4 the person may receive state disability assistance. Such a person  
5 must actively participate in a substance abuse treatment program,  
6 and the assistance must be paid to a third party or through vendor  
7 payments. For purposes of this section, substance abuse treatment  
8 includes receipt of inpatient or outpatient services or  
9 participation in alcoholics anonymous or a similar program.

10 Sec. 605. The level of reimbursement provided to state  
11 disability assistance recipients in licensed adult foster care  
12 facilities shall be the same as the prevailing supplemental  
13 security income rate under the personal care category.

14 Sec. 606. County department offices shall require each  
15 recipient of family independence program and state disability  
16 assistance who has applied with the social security administration  
17 for supplemental security income to sign a contract to repay any  
18 assistance rendered through the family independence program or  
19 state disability assistance program upon receipt of retroactive  
20 supplemental security income benefits.

21 Sec. 607. (1) The department's ability to satisfy  
22 appropriation deductions in part 1 for state disability  
23 assistance/supplemental security income recoveries and public  
24 assistance recoupment revenues shall not be limited to recoveries  
25 and accruals pertaining to state disability assistance, or family  
26 independence assistance grant payments provided only in the current  
27 fiscal year, but may include revenues collected during the current



1 year that are prior year related and not a part of the department's  
2 accrued entries.

3 (2) The department may use supplemental security income  
4 recoveries to satisfy the deduct in any line in which the revenues  
5 are appropriated, regardless of the source from which the revenue  
6 is recovered.

7 Sec. 608. Adult foster care facilities providing domiciliary  
8 care or personal care to residents receiving supplemental security  
9 income or homes for the aged serving residents receiving  
10 supplemental security income shall not require those residents to  
11 reimburse the home or facility for care at rates in excess of those  
12 legislatively authorized. To the extent permitted by federal law,  
13 adult foster care facilities and homes for the aged serving  
14 residents receiving supplemental security income shall not be  
15 prohibited from accepting third-party payments in addition to  
16 supplemental security income if the payments are not for food,  
17 clothing, shelter, or result in a reduction in the recipient's  
18 supplemental security income payment.

19 Sec. 609. The state supplementation level under the  
20 supplemental security income program for the personal care/adult  
21 foster care and home for the aged categories shall not be reduced  
22 during the current fiscal year. The legislature shall be notified  
23 not less than 30 days before any proposed reduction in the state  
24 supplementation level.

25 Sec. 610. (1) In developing good cause criteria for the state  
26 emergency relief program, the department shall grant exemptions if  
27 the emergency resulted from unexpected expenses related to

1 maintaining or securing employment.

2 (2) For purposes of determining housing affordability  
3 eligibility for state emergency relief, a group is considered to  
4 have sufficient income to meet ongoing housing expenses if their  
5 total housing obligation does not exceed 75% of their total net  
6 income.

7 (3) State emergency relief payments shall not be made to  
8 individuals who have been found guilty of fraud in regard to  
9 obtaining public assistance.

10 (4) State emergency relief payments shall not be made  
11 available to persons who are out-of-state residents or illegal  
12 immigrants.

13 (5) State emergency relief payments for rent assistance shall  
14 be distributed directly to landlords and shall not be added to  
15 Michigan bridge cards.

16 Sec. 611. The state supplementation level under the  
17 supplemental security income program for the living independently  
18 or living in the household of another categories shall not exceed  
19 the minimum state supplementation level as required under federal  
20 law or regulations.

21 Sec. 613. (1) The department shall provide reimbursements for  
22 the final disposition of indigent persons. The reimbursements shall  
23 include the following:

24 (a) The maximum allowable reimbursement for the final  
25 disposition is \$800.00.

26 (b) The adult burial with services allowance is \$725.00.

27 (c) The adult burial without services allowance is \$490.00.

1 (d) The infant burial allowance is \$170.00.

2 (2) Reimbursement for a cremation permit fee of up to \$75.00  
3 and for mileage at the standard rate will be made available for an  
4 eligible cremation. The reimbursements under this section shall  
5 take into consideration religious preferences that prohibit  
6 cremation.

7 Sec. 614. The department shall report to the senate and house  
8 of representatives appropriations subcommittees on the department  
9 budget, the senate and house fiscal agencies, and the senate and  
10 house policy offices by January 15 of the current fiscal year on  
11 the number and percentage of state disability assistance recipients  
12 who were determined to be eligible for federal supplemental  
13 security income benefits in the previous fiscal year.

14 Sec. 615. Except as required by federal law or regulations,  
15 funds appropriated in part 1 shall not be used to provide public  
16 assistance to a person who is an illegal alien. This section shall  
17 not prohibit the department from entering into contracts with food  
18 banks, emergency shelter providers, or other human services  
19 agencies who may, as a normal part of doing business, provide food  
20 or emergency shelter.

21 Sec. 616. The department shall require retailers that  
22 participate in the electronic benefits transfer program to charge  
23 no more than \$2.50 in fees for cash back as a condition of  
24 participation.

25 Sec. 618. By March 1 of the current fiscal year, the  
26 department shall report to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, the senate and house policy offices, and the state budget  
2 office the status of the implementation of section 84 of the  
3 corrections code of 1953, 1953 PA 232, MCL 791.284.

4 Sec. 619. (1) Subject to subsection (2), the department shall  
5 exempt from the denial of title IV-A assistance and food assistance  
6 benefits under 21 USC 862a any individual who has been convicted of  
7 a felony that included the possession, use, or distribution of a  
8 controlled substance, after August 22, 1996, if the individual is  
9 not in violation of his or her probation or parole requirements.

10 Benefits shall be provided to such individuals as follows:

11 (a) A third-party payee or vendor shall be required for any  
12 cash benefits provided.

13 (b) An authorized representative shall be required for food  
14 assistance receipt.

15 (2) Subject to federal approval, an individual is not entitled  
16 to the exemption in this section if the individual was convicted in  
17 2 or more separate cases of a felony that included the possession,  
18 use, or distribution of a controlled substance after August 22,  
19 1996.

20 Sec. 620. (1) The department shall make a determination of  
21 Medicaid eligibility not later than 90 days if disability is an  
22 eligibility factor. For all other Medicaid applicants, including  
23 patients of a nursing home, the department shall make a  
24 determination of Medicaid eligibility within 45 days of  
25 application.

26 (2) The department shall report on a quarterly basis to the  
27 senate and house appropriations subcommittees on the department

1 budget, the senate and house standing committees on families and  
2 human services, the senate and house fiscal agencies, the senate  
3 and house policy offices, and the state budget office on the  
4 average Medicaid eligibility standard of promptness for each of the  
5 required standards of promptness under subsection (1) and for  
6 medical review team reviews achieved statewide and at each local  
7 office.

8       Sec. 625. From the funds appropriated in part 1 for SSI  
9 advocacy legal services, the department shall allocate \$250,000.00  
10 to contract with the Legal Services Association of Michigan to  
11 provide assistance to individuals who have applied for or wish to  
12 apply for SSI or other federal disability benefits. The Legal  
13 Services Association of Michigan shall provide a list of new  
14 recipients accepted to the department to verify that services have  
15 been provided to department recipients. The Legal Services  
16 Association of Michigan and the department shall work together to  
17 develop release forms to share information in appropriate cases.  
18 The Legal Services Association of Michigan shall provide quarterly  
19 reports indicating cases opened, cases closed, level of services  
20 provided on closed cases, and case outcomes on closed cases.

21       Sec. 645. An individual or family is considered homeless, for  
22 purposes of eligibility for state emergency relief, if living  
23 temporarily with others in order to escape domestic violence. For  
24 purposes of this section, domestic violence is defined and verified  
25 in the same manner as in the department's policies on good cause  
26 for not cooperating with child support and paternity requirements.

27       Sec. 650. The department shall apply the food assistance

1 eligibility requirements as prescribed in 7 CFR 273.24(a) to (d) on  
2 a statewide basis for the fiscal year beginning October 1, 2017.

3 Sec. 651. (1) From the funds appropriated in part 1, the  
4 department shall allocate up to \$1,500,000.00 to Michigan State  
5 University (MSU) Extension for the Michigan corner store  
6 initiative. Funds provided for the Michigan corner store initiative  
7 shall be used to provide grants to small food retailers to increase  
8 the availability and sales of fresh and nutritious food in low- and  
9 moderate-income areas of the state. In determining qualified  
10 projects to fund, the MSU Extension shall consider the level of  
11 need in the area to be served. The MSU Extension shall report  
12 annually to the department on the projects funded, the geographic  
13 distribution of the projects, the costs of the program, and the  
14 outcomes, including the number and type of jobs created and health  
15 impacts associated with the program. The department shall provide  
16 the annual report described in this section to the house and senate  
17 appropriations subcommittees on the department budget, the house  
18 and senate fiscal agencies, and the house and senate policy  
19 offices. To qualify, grant applicants must do all of the following:

20 (a) Be a small food retailer.

21 (b) Be located in a low- or moderate-income area.

22 (c) Accept or agree to accept, as a condition of receiving  
23 assistance, food assistance program benefits.

24 (d) Agree to apply to accept special supplemental nutrition  
25 program for women, infants, and children (WIC) benefits and accept  
26 WIC benefits, if eligible.

27 (e) Agree to abide by the conditions for receiving assistance.

1 (f) Collect and provide data and other information required by  
2 the department and MSU Extension for monitoring, accountability,  
3 and evaluation purposes.

4 (2) Grant money disbursed under the Michigan corner store  
5 initiative may be used for the following purposes:

6 (a) Salary and associated costs of employees or contractors  
7 providing education, advice, or other assistance on food safety and  
8 handling, nutrition education, business operations, and promotion  
9 to small food retailers.

10 (b) Refrigeration, display shelving, or other equipment for  
11 small food retailers necessary for stocking healthy foods and fresh  
12 produce, at a cost of less than \$5,000.00 per retailer.

13 (c) Materials and supplies for nutrition education and healthy  
14 food promotion.

15 (d) Mini-grants to retailers of no more than \$100.00 per  
16 retailer to meet initial expenses incurred with participation in  
17 the program.

18 Sec. 653. From the funds appropriated in part 1 for food  
19 assistance, an individual who is the victim of domestic violence  
20 and does not qualify for any other exemption may be exempt from the  
21 3-month in 36-month limit on receiving food assistance under 7 USC  
22 2015. This exemption can be extended an additional 3 months upon  
23 demonstration of continuing need.

24 Sec. 654. The department shall notify recipients of food  
25 assistance program benefits that their benefits can be spent with  
26 their bridge cards at many farmers' markets in the state. The  
27 department shall also notify recipients about the Double Up Food

1 Bucks program that is administered by the Fair Food Network.  
2 Recipients shall receive information about the Double Up Food Bucks  
3 program, including information that when the recipient spends  
4 \$20.00 at participating farmers' markets through the program, the  
5 recipient can receive an additional \$20.00 to buy Michigan produce.

6 Sec. 655. Within 14 days after the spending plan for low-  
7 income home energy assistance program is approved by the state  
8 budget office, the department shall provide the spending plan,  
9 including itemized projected expenditures, to the chairpersons of  
10 the senate and house appropriations subcommittees on the department  
11 budget, the senate and house fiscal agencies, the senate and house  
12 policy offices, and the state budget office.

13 Sec. 660. From the funds appropriated in part 1 for Food Bank  
14 Council of Michigan, the department is authorized to make  
15 allocations of TANF funds only to the agencies that report  
16 necessary data to the department for the purpose of meeting TANF  
17 eligibility reporting requirements. The agencies that do not report  
18 necessary data to the department for the purpose of meeting TANF  
19 eligibility reporting requirements will not receive allocations in  
20 excess of those received in fiscal year 2000. The use of TANF funds  
21 under this section is not an ongoing commitment of funding.

22 Sec. 669. The department shall allocate \$6,270,000.00 for the  
23 annual clothing allowance. The allowance shall be granted to all  
24 eligible children in a family independence program group.

25 Sec. 672. (1) The department's office of inspector general  
26 shall report to the senate and house of representatives  
27 appropriations subcommittees on the department budget, the senate



1 and house fiscal agencies, and the senate and house policy offices  
2 by February 15 of the current fiscal year on department efforts to  
3 reduce inappropriate use of Michigan bridge cards. The department  
4 shall provide information on the number of recipients of services  
5 who used their electronic benefit transfer card inappropriately and  
6 the current status of each case, the number of recipients whose  
7 benefits were revoked, whether permanently or temporarily, as a  
8 result of inappropriate use, and the number of retailers that were  
9 fined or removed from the electronic benefit transfer program for  
10 permitting inappropriate use of the cards. The report shall  
11 distinguish between savings and cost avoidance. Savings include  
12 receivables established from instances of fraud committed. Cost  
13 avoidance includes expenditures avoided due to front-end  
14 eligibility investigations and other preemptive actions undertaken  
15 in the prevention of fraud.

16 (2) It shall be the policy of the department that the  
17 department shall require an explanation from a recipient if a  
18 bridge card is replaced more than 2 times over any 3-month period.

19 (3) As used in this section, "inappropriate use" means not  
20 used to meet a family's ongoing basic needs, including food,  
21 clothing, shelter, utilities, household goods, personal care items,  
22 and general incidentals.

23 Sec. 677. (1) The department shall establish a state goal for  
24 the percentage of family independence program cases involved in  
25 employment activities. The percentage established shall not be less  
26 than 50%. The goal for long-term employment shall be 15% of cases  
27 for 6 months or more.

1           (2) On a quarterly basis, the department shall report to the  
2 senate and house appropriations subcommittees on the department  
3 budget, the senate and house fiscal agencies and policy offices,  
4 and the state budget director on the number of cases referred to  
5 Partnership. Accountability. Training. Hope. (PATH), the current  
6 percentage of family independence program cases involved in PATH  
7 employment activities, an estimate of the current percentage of  
8 family independence program cases that meet federal work  
9 participation requirements on the whole, and an estimate of the  
10 current percentage of the family independence program cases that  
11 meet federal work participation requirements for those cases  
12 referred to PATH.

13           (3) The department shall submit to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office a quarterly report that includes all of the  
17 following:

18           (a) The number and percentage of nonexempt family independence  
19 program recipients who are employed.

20           (b) The average and range of wages of employed family  
21 independence program recipients.

22           (c) The number and percentage of employed family independence  
23 program recipients who remain employed for 6 months or more.

24           Sec. 686. (1) The department shall ensure that program policy  
25 requires caseworkers to confirm that individuals presenting  
26 personal identification issued by another state seeking assistance  
27 through the family independence program, food assistance program,

1 state disability assistance program, or medical assistance program  
2 are not receiving benefits from any other state.

3 (2) The department shall require caseworkers to confirm the  
4 address provided by any individual seeking family independence  
5 program benefits or state disability assistance benefits.

6 (3) The department shall prohibit individuals with property  
7 assets assessed at a value higher than \$200,000.00 from accessing  
8 assistance through department-administered programs, unless such a  
9 prohibition would violate federal rules and guidelines.

10 (4) The department shall require caseworkers to obtain an up-  
11 to-date telephone number during the eligibility determination or  
12 redetermination process for individuals seeking medical assistance  
13 benefits.

14 Sec. 687. (1) The department shall, on a quarterly basis by  
15 February 1, May 1, August 1, and November 1, compile and make  
16 available on its website all of the following information about the  
17 family independence program, state disability assistance, the food  
18 assistance program, Medicaid, and state emergency relief:

19 (a) The number of applications received.

20 (b) The number of applications approved.

21 (c) The number of applications denied.

22 (d) The number of applications pending and neither approved  
23 nor denied.

24 (e) The number of cases opened.

25 (f) The number of cases closed.

26 (g) The number of cases at the beginning of the quarter and  
27 the number of cases at the end of the quarter.

1           (2) The information provided under subsection (1) shall be  
2 compiled and made available for the state as a whole and for each  
3 county and reported separately for each program listed in  
4 subsection (1).

5           (3) The department shall, on a quarterly basis by February 1,  
6 May 1, August 1, and November 1, compile and make available on its  
7 website the family independence program information listed as  
8 follows:

9           (a) The number of new applicants who successfully met the  
10 requirements of the 21-day assessment period for PATH.

11           (b) The number of new applicants who did not meet the  
12 requirements of the 21-day assessment period for PATH.

13           (c) The number of cases sanctioned because of the school  
14 truancy policy.

15           (d) The number of cases closed because of the 48-month and 60-  
16 month lifetime limits.

17           (e) The number of first-, second-, and third-time sanctions.

18           (f) The number of children ages 0-5 living in FIP-sanctioned  
19 households.

20           (4) The department shall notify the state budget office, the  
21 senate and house appropriations subcommittees on the department  
22 budget, the senate and house fiscal agencies, and the senate and  
23 house policy offices when the reports required in this section are  
24 made available on the department's website.

25           Sec. 688. From the funds appropriated in part 1 for the low-  
26 income home energy assistance program, up to \$6,766,800.00 of  
27 federal funding shall be allocated to provide an additional \$20.01

1 payment to food assistance program cases that are not currently  
2 eligible for the standard utility allowance to enable these cases  
3 to receive expanded food assistance benefits through the program  
4 commonly known as the heat and eat program.

5 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

6 Sec. 701. Unless required from changes to federal or state law  
7 or at the request of a provider, the department shall not alter the  
8 terms of any signed contract with a private residential facility  
9 serving children under state or court supervision without written  
10 consent from a representative of the private residential facility.

11 Sec. 706. Counties shall be subject to 50% chargeback for the  
12 use of alternative regional detention services, if those detention  
13 services do not fall under the basic provision of section 117e of  
14 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county  
15 operates those detention services programs primarily with  
16 professional rather than volunteer staff.

17 Sec. 707. In order to be reimbursed for child care fund  
18 expenditures, counties are required to submit department-developed  
19 reports to enable the department to document potential federally  
20 claimable expenditures. This requirement is in accordance with the  
21 reporting requirements specified in section 117a(7) of the social  
22 welfare act, 1939 PA 280, MCL 400.117a.

23 Sec. 708. (1) As a condition of receiving funds appropriated  
24 in part 1 for the child care fund line item, by December 15 of the  
25 current fiscal year, counties shall have an approved service  
26 spending plan for the current fiscal year. Counties must submit the

1 service spending plan to the department by October 1 of the current  
2 fiscal year for approval. Upon submission of the county service  
3 spending plan, the department shall approve within 30 calendar days  
4 after receipt of a properly completed service plan that complies  
5 with the requirements of the social welfare act, 1939 PA 280, MCL  
6 400.1 to 400.119b. The department shall notify and submit county  
7 service spending plan revisions to any county whose county service  
8 spending plan is not accepted upon initial submission. The  
9 department shall not request any additional revisions to a county  
10 service spending plan outside of the requested revision  
11 notification submitted to the county by the department. The  
12 department shall notify a county within 30 days after approval that  
13 its service plan was approved.

14 (2) The department shall submit a report to the house and  
15 senate appropriations subcommittees on the department budget, the  
16 house and senate fiscal agencies, the house and senate policy  
17 offices, and the state budget office by February 15 of the current  
18 fiscal year on the number of counties that fail to submit a service  
19 spending plan by October 1 and the number of service spending plans  
20 not approved by December 15. The report shall include the number of  
21 county service spending plans that were not approved as first  
22 submitted by the counties, as well as the number of plans that were  
23 not approved by the department after being resubmitted by the  
24 county with the first revisions that were requested by the  
25 department.

26 Sec. 709. The department's master contract for juvenile  
27 justice residential foster care services shall be amended to

1 prohibit contractors from denying a referral for placement of a  
2 youth, or terminating a youth's placement, if the youth's assessed  
3 treatment needs are in alignment with the facility's residential  
4 program type, as identified by the court or the department. In  
5 addition, the master contract shall require that youth placed in  
6 juvenile justice residential foster care facilities must have  
7 regularly scheduled treatment sessions with a licensed psychologist  
8 or psychiatrist, or both, and access to the licensed psychologist  
9 or psychiatrist as needed.

10       Sec. 710. The department shall submit a report to the house  
11 and senate appropriations subcommittees on the department budget,  
12 the house and senate fiscal agencies, the house and senate policy  
13 offices, and the state budget office by February 15 of the current  
14 fiscal year on the number of days of care and expenditures by  
15 funding source for the previous year for out-of-home placements by  
16 specific placement programs, including, but not limited to, paid  
17 relative placement, department direct family foster care, private  
18 agency supervised foster care, private child caring institutions,  
19 county-supervised facilities, court-supervised facilities, and  
20 independent living. The report shall identify out-of-home placement  
21 days of care as to whether the placement is child abuse or child  
22 neglect or delinquent in nature. The report shall also identify  
23 days of care for department-operated residential juvenile justice  
24 facilities by security classification.

25       Sec. 721. If the demand for placements at state-operated  
26 juvenile justice residential facilities exceeds capacity, the  
27 department shall not increase the available occupancy or services

1 at the facilities, and shall post a request for proposals for a  
2 contract with not less than 1 private provider of residential  
3 services for juvenile justice youth to be a residential facility of  
4 last resort.

5 **FIELD OPERATIONS AND SUPPORT SERVICES**

6 Sec. 801. (1) Funds appropriated in part 1 for independent  
7 living shall be used to support the general operations of centers  
8 for independent living in delivering mandated independent living  
9 services in compliance with federal rules and regulations for the  
10 centers, by existing centers for independent living to serve  
11 underserved areas, and for projects to build the capacity of  
12 centers for independent living to deliver independent living  
13 services. Applications for the funds shall be reviewed in  
14 accordance with criteria and procedures established by the  
15 department. The funds appropriated in part 1 may be used to  
16 leverage federal vocational rehabilitation innovation and expansion  
17 funds consistent with 34 CFR 361.35 up to \$5,543,000.00, if  
18 available. If the possibility of matching federal funds exists, the  
19 centers for independent living network will negotiate a mutually  
20 beneficial contractual arrangement with Michigan rehabilitation  
21 services. Funds shall be used in a manner consistent with the state  
22 plan for independent living. Services provided should assist people  
23 with disabilities to move toward self-sufficiency, including  
24 support for accessing transportation and health care, obtaining  
25 employment, community living, nursing home transition, information  
26 and referral services, education, youth transition services,



1 veterans, and stigma reduction activities and community education.  
2 This includes the independent living guide project that  
3 specifically focuses on economic self-sufficiency.

4 (2) The Michigan centers for independent living shall provide  
5 a report by March 1 of the current fiscal year to the house and  
6 senate appropriations subcommittees on the department budget, the  
7 house and senate fiscal agencies, the house and senate policy  
8 offices, and the state budget office on direct customer and system  
9 outcomes and performance measures.

10 Sec. 802. The Michigan rehabilitation services shall work  
11 collaboratively with the bureau of services for blind persons,  
12 service organizations, and government entities to identify  
13 qualified match dollars to maximize use of available federal  
14 vocational rehabilitation funds.

15 Sec. 803. The department shall provide an annual report by  
16 February 1 to the house and senate appropriations subcommittees on  
17 the department budget, the house and senate fiscal agencies, the  
18 house and senate policy offices, and the state budget office on  
19 efforts taken to improve the Michigan rehabilitation services. The  
20 report shall include all of the following items:

21 (a) Reductions and changes in administration costs and  
22 staffing.

23 (b) Service delivery plans and implementation steps achieved.

24 (c) Reorganization plans and implementation steps achieved.

25 (d) Plans to integrate Michigan rehabilitative services  
26 programs into other services provided by the department.

27 (e) Quarterly expenditures by major spending category.

1 (f) Employment and job retention rates from both Michigan  
2 rehabilitation services and its nonprofit partners.

3 (g) Success rate of each district in achieving the program  
4 goals.

5 Sec. 804. (1) From the funds appropriated in part 1 for  
6 Michigan rehabilitation services, the department shall allocate  
7 \$50,000.00 along with available federal match to support the  
8 provision of vocational rehabilitation services to eligible  
9 agricultural workers with disabilities. Authorized services shall  
10 assist agricultural workers with disabilities in acquiring or  
11 maintaining quality employment and independence.

12 (2) By March 1 of the current fiscal year, the department  
13 shall report to the senate and house appropriations subcommittees  
14 on the department budget, the senate and house fiscal agencies, the  
15 senate and house policy offices, and the state budget office on the  
16 total number of clients served and the total amount of federal  
17 matching funds obtained throughout the duration of the program.

18 Sec. 805. It is the intent of the legislature that Michigan  
19 rehabilitation services shall not implement an order of selection  
20 for vocational and rehabilitative services. If the department is at  
21 risk of entering into an order of selection for services, the  
22 department shall notify the chairs of the senate and house  
23 subcommittees on the department budget and the senate and house  
24 fiscal agencies and policy offices within 2 weeks of receiving  
25 notification.

26 Sec. 806. (1) From the funds appropriated in part 1 for  
27 Michigan rehabilitation services, the department shall allocate

1 \$6,100,300.00, including federal matching funds, to service  
2 authorizations with community-based rehabilitation organizations  
3 for an array of needed services throughout the rehabilitation  
4 process.

5 (2) The department shall support the objectives stated in  
6 Executive Order No. 2015-15, by providing the service provider  
7 community with technical assistance in the process of provider  
8 transformation among community rehabilitation organizations and  
9 restructuring the reimbursement rates for employment supports and  
10 services among those who provide job preparation, job placement,  
11 and job retention supports and services. Additionally, the  
12 department shall ensure technical assistance to promote seamless  
13 transition outcomes from education to employment for individuals  
14 with disabilities and providing education and outreach to clients  
15 and their families, including information on benefits coordination  
16 and planning for the promotion of successful employment outcomes.

17 Sec. 807. From the funds appropriated in part 1 for Elder Law  
18 of Michigan MiCAFE contract, the department shall allocate not less  
19 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this  
20 state's elderly population in participating in the food assistance  
21 program. Of the \$350,000.00 allocated under this section, the  
22 department shall use \$175,000.00, which are general fund/general  
23 purpose funds, as state matching funds for not less than  
24 \$175,000.00 in United States Department of Agriculture funding to  
25 provide outreach program activities, such as eligibility screening  
26 and information services, as part of a statewide food assistance  
27 hotline.

1       Sec. 808. By March 1 of the current fiscal year, the  
2 department shall provide a report to the senate and house  
3 appropriations subcommittees on the department budget, the senate  
4 and house fiscal agencies, the senate and house policy offices, and  
5 the state budget office on the nutrition education program. The  
6 report shall include planned allocation and actual expenditures for  
7 the supplemental nutrition assistance program education funding,  
8 planned and actual grant amounts for the supplemental nutrition  
9 assistance program education funding, the total amount of expected  
10 carryforward balance at the end of the current fiscal year for the  
11 supplemental nutrition assistance program education funding, a list  
12 of all supplemental nutrition assistance program education funding  
13 programs by implementing agency, and the stated purpose of each  
14 program.

15       Sec. 809. (1) The purpose of the pathways to potential program  
16 is to reduce chronic absenteeism by 20%, decrease the number of  
17 students who repeat grades by 15%, decrease the rate of dropouts by  
18 10%, and increase graduation by 20% for schools that are current  
19 participants in the pathways to potential program and to reduce  
20 chronic absenteeism by 25%, decrease the number of students who  
21 repeat grades by 20%, decrease the rate of dropouts by 15%, and  
22 increase graduation by 25% for schools that are new participants in  
23 the pathways to potential program. The funding priority for the  
24 pathways to potential program shall be based on schools achieving  
25 successful outcomes on the above measurements.

26       (2) From the funds appropriated in part 1 for public  
27 assistance field staff intended for the pathways to potential

1 program, the department shall allocate \$75,000.00 by December 1 of  
2 the current fiscal year to support the Northeast Michigan Community  
3 Service Agency programming, which will take place in each county in  
4 the governor's prosperity region 3.

5 (3) From the funds appropriated in part 1 for public  
6 assistance field staff intended for the pathways to potential  
7 program, the department shall allocate \$60,000.00 to the Early  
8 Neighborhood Learning Collaborative to improve the attendance and  
9 retention of students enrolled in an early neighborhood learning  
10 collaborative great start readiness program approved classroom. It  
11 is the intent of the legislature that these funds shall be  
12 allocated on a one-time basis only.

13 Sec. 825. From the funds appropriated in part 1, the  
14 department shall provide individuals not more than \$500.00 for  
15 vehicle repairs, including any repairs done in the previous 12  
16 months. However, the department may in its discretion pay for  
17 repairs up to \$900.00. Payments under this section shall include  
18 the combined total of payments made by the department and work  
19 participation program.

20 Sec. 850. (1) The department shall maintain out-stationed  
21 eligibility specialists in community-based organizations, community  
22 mental health agencies, nursing homes, adult placement and  
23 independent living settings, federally qualified health centers,  
24 and hospitals unless a community-based organization, community  
25 mental health agency, nursing home, adult placement and independent  
26 living setting, federally qualified health centers, or hospital  
27 requests that the program be discontinued at its facility.

1           (2) From the funds appropriated in part 1 for donated funds  
2 positions, the department shall enter into contracts with agencies  
3 that are able and eligible under federal law to provide the  
4 required matching funds for federal funding, as determined by  
5 federal statute and regulations.

6           (3) A contract for an assistance payments donated funds  
7 position must include, but not be limited to, the following  
8 performance metrics:

9           (a) Meeting a standard of promptness for processing  
10 applications for Medicaid and other public assistance programs  
11 under state law.

12           (b) Meeting required standards for error rates in determining  
13 programmatic eligibility as determined by the department.

14           (4) The department shall only fill additional donated funds  
15 positions after a new contract has been signed. That position shall  
16 also be abolished when the contract expires or is terminated.

17           (5) The department shall classify as limited-term FTEs any new  
18 employees who are hired to fulfill the donated funds position  
19 contracts or are hired to fill any vacancies from employees who  
20 transferred to a donated funds position.

21           (6) By March 1 of the current fiscal year, the department  
22 shall submit a report to the senate and house appropriations  
23 subcommittees on the department budget, the senate and house fiscal  
24 agencies and policy offices, and the state budget office detailing  
25 information on the donated funds positions, including the total  
26 number of occupied positions, the total private contribution of the  
27 positions, and the total cost to the state for any nonsalary

1 expenditure for the donated funds position employees.

2       Sec. 851. From the funds appropriated in part 1 for adult  
3 services field staff, the department shall improve staffing ratios  
4 in adult protective services programs with the goal of reducing the  
5 number of older adults who are victims of crime and fraud. The  
6 purpose of the staffing enhancement is to increase standard of  
7 promptness by 90% or above in every county, as measured by  
8 commencing an investigation within 24 hours, establishing face-to-  
9 face contact with the client within 72 hours, and completing the  
10 investigation within 30 days.

11       Sec. 852. The 29 additional FTE authorizations in part 1 added  
12 to the public assistance field staff line item in the current  
13 fiscal year shall be allocated to support the pathways to potential  
14 program to provide additional staff in schools.

15 **BEHAVIORAL HEALTH SERVICES**

16       Sec. 901. Except for the pilot projects and demonstration  
17 models described in section 298, the funds appropriated in part 1  
18 are intended to support a system of comprehensive community mental  
19 health services under the full authority and responsibility of  
20 local CMHSPs or PIHPs in accordance with the mental health code,  
21 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider  
22 manual, federal Medicaid waivers, and all other applicable federal  
23 and state laws.

24       Sec. 902. (1) Except for the pilot projects and demonstration  
25 models described in section 298, from the funds appropriated in  
26 part 1, final authorizations to CMHSPs or PIHPs shall be made upon

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

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

16 (a) Any new contracts the department has entered into with  
17 CMHSPs or PIHPs that would affect rates or expenditures.

18 (b) Any amendments to contracts the department has entered  
19 into with CMHSPs or PIHPs that would affect rates or expenditures.

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

23 Sec. 904. (1) By May 31 of the current fiscal year, the  
24 department shall provide a report on the CMHSPs, PIHPs, regional  
25 entities designated by the department as PIHPs, and managing  
26 entities for substance use disorders to the members of the house  
27 and senate appropriations subcommittees on the department budget,



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

3 (2) The report shall contain information for each CMHSP, PIHP,  
4 regional entity designated by the department as a PIHP, and  
5 managing entity for substance use disorders and a statewide  
6 summary, each of which shall include at least the following  
7 information:

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

11 (b) Per capita expenditures in total and by client population  
12 group and cultural and ethnic groups of the services area,  
13 including the deaf and hard of hearing population.

14 (c) Financial information that, minimally, includes a  
15 description of funding authorized; expenditures by diagnosis group,  
16 service category, and reimbursement eligibility; and cost  
17 information by Medicaid, Healthy Michigan plan, state appropriated  
18 non-Medicaid mental health services, local funding, and other fund  
19 sources, including administration and funds specified for all  
20 outside contracts for services and products. Financial information  
21 must include the amount of funding, from each fund source, used to  
22 cover clinical services and supports. Service category includes all  
23 department-approved services.

24 (d) Data describing service outcomes that include, but are not  
25 limited to, an evaluation of consumer satisfaction, consumer  
26 choice, and quality of life concerns including, but not limited to,  
27 housing and employment.

1 (e) Information about access to CMHSPs that includes, but is  
2 not limited to, the following:

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

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

6 (f) The number of second opinions requested under the mental  
7 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the  
8 determination of any appeals.

9 (g) Lapses and carryforwards during the immediately preceding  
10 fiscal year for CMHSPs, PIHPs, regional entities designated by the  
11 department as PIHPs, and managing entities for substance use  
12 disorders.

13 (h) Performance indicator information required to be submitted  
14 to the department in the contracts with CMHSPs, PIHPs, regional  
15 entities designated by the department as PIHPs, and managing  
16 entities for substance use disorders.

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

23 (3) The department shall include data reporting requirements  
24 listed in subsection (2) in the annual contract with each  
25 individual CMHSP, PIHP, regional entity designated by the  
26 department as a PIHP, and managing entity for substance use  
27 disorders.

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

5           Sec. 905. (1) From the funds appropriated in part 1 for  
6 behavioral health program administration, the department shall  
7 maintain a psychiatric transitional unit and children's behavioral  
8 action team. These services will augment the continuum of  
9 behavioral health services for high-need youth and provide  
10 additional continuity of care and transition into supportive  
11 community-based services.

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

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

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

18           Sec. 906. (1) The funds appropriated in part 1 for the state  
19 disability assistance substance use disorder services program shall  
20 be used to support per diem room and board payments in substance  
21 use disorder residential facilities. Eligibility of clients for the  
22 state disability assistance substance use disorder services program  
23 shall include needy persons 18 years of age or older, or  
24 emancipated minors, who reside in a substance use disorder  
25 treatment center.

26           (2) The department shall reimburse all licensed substance use  
27 disorder programs eligible to participate in the program at a rate

1 equivalent to that paid by the department to adult foster care  
2 providers. Programs accredited by department-approved accrediting  
3 organizations shall be reimbursed at the personal care rate, while  
4 all other eligible programs shall be reimbursed at the domiciliary  
5 care rate.

6       Sec. 907. (1) The amount appropriated in part 1 for substance  
7 use disorder prevention, education, and treatment grants shall be  
8 expended to coordinate care and services provided to individuals  
9 with severe and persistent mental illness and substance use  
10 disorder diagnoses.

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

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

18       Sec. 908. (1) By April 1 of the current fiscal year, the  
19 department shall report the following data from the prior fiscal  
20 year on substance use disorder prevention, education, and treatment  
21 programs to the senate and house appropriations subcommittees on  
22 the department budget, the senate and house fiscal agencies, and  
23 the state budget office:

24       (a) Expenditures stratified by department-designated community  
25 mental health entity, by central diagnosis and referral agency, by  
26 fund source, by subcontractor, by population served, and by service  
27 type. Additionally, data on administrative expenditures by

1 department-designated community mental health entity shall be  
2 reported.

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

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

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

9 (d) Collections from other first- or third-party payers,  
10 private donations, or other state or local programs, by department-  
11 designated community mental health entity, by subcontractor, by  
12 population served, and by service type.

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

16 Sec. 909. From the funds appropriated in part 1 for community  
17 substance use disorder prevention, education, and treatment, the  
18 department shall use available revenue from the marihuana  
19 regulatory fund established in section 604 of the medical marihuana  
20 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve  
21 physical health; expand access to substance use disorder prevention  
22 and treatment services; and strengthen the existing prevention,  
23 treatment, and recovery systems.

24 Sec. 910. The department shall ensure that substance use  
25 disorder treatment is provided to applicants and recipients of  
26 public assistance through the department who are required to obtain  
27 substance use disorder treatment as a condition of eligibility for

1 public assistance.

2       Sec. 911. (1) The department shall ensure that each contract  
3 with a CMHSP or PIHP requires the CMHSP or PIHP to implement  
4 programs to encourage diversion of individuals with serious mental  
5 illness, serious emotional disturbance, or developmental disability  
6 from possible jail incarceration when appropriate.

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

17       Sec. 912. The department shall contract directly with the  
18 Salvation Army Harbor Light program to provide non-Medicaid  
19 substance use disorder services if the local coordinating agency or  
20 the department confirms the Salvation Army Harbor Light program  
21 meets the standard of care. The standard of care shall include, but  
22 is not limited to, utilization of the medication assisted treatment  
23 option.

24       Sec. 915. (1) From the funds appropriated in part 1 for  
25 behavioral health program administration and intended to support  
26 the mental health and wellness commission, the department shall  
27 maintain the funding level for Special Olympics Michigan at the

1 level in effect during the fiscal year ending September 30, 2017.

2 (2) By March 1 of the current fiscal year, the department  
3 shall report the following information on the mental health and  
4 wellness commission to the house and senate appropriations  
5 subcommittees on the department budget, the house and senate fiscal  
6 agencies, the house and senate policy offices, and the state budget  
7 office:

8 (a) Previous fiscal year expenditures by actionable  
9 recommendation of the mental health and wellness commission.

10 (b) Programs utilized during the previous fiscal year to  
11 address each actionable recommendation of the mental health and  
12 wellness commission.

13 (c) Outcomes and performance measures achieved during the  
14 previous fiscal year by actionable recommendation of the mental  
15 health and wellness commission.

16 (d) Current fiscal year funding by actionable recommendation  
17 of the mental health and wellness commission.

18 (e) Current fiscal year funding by program utilized to address  
19 each actionable recommendation of the mental health and wellness  
20 commission.

21 (f) Funding within the executive budget proposal for the  
22 fiscal year ending September 30, 2019, by actionable recommendation  
23 of the mental health and wellness commission.

24 Sec. 918. On or before the twenty-fifth of each month, the  
25 department shall report to the senate and house appropriations  
26 subcommittees on the department budget, the senate and house fiscal  
27 agencies, and the state budget director on the amount of funding

1 paid to PIHPs to support the Medicaid managed mental health care  
2 program in the preceding month. The information shall include the  
3 total paid to each PIHP, per capita rate paid for each eligibility  
4 group for each PIHP, and number of cases in each eligibility group  
5 for each PIHP, and year-to-date summary of eligibles and  
6 expenditures for the Medicaid managed mental health care program.

7       Sec. 920. (1) As part of the Medicaid rate-setting process for  
8 behavioral health services, the department shall work with PIHP  
9 network providers and actuaries to include any state and federal  
10 wage and compensation increases that directly impact staff who  
11 provide Medicaid-funded community living supports, personal care  
12 services, respite services, skill-building services, and other  
13 similar supports and services as part of the Medicaid rate.

14       (2) It is the intent of the legislature that any increased  
15 Medicaid rate related to state minimum wage increases shall also be  
16 distributed to direct care employees.

17       Sec. 928. (1) Each PIHP shall provide, from internal  
18 resources, local funds to be used as a part of the state match  
19 required under the Medicaid program in order to increase capitation  
20 rates for PIHPs. These funds shall not include either state funds  
21 received by a CMHSP for services provided to non-Medicaid  
22 recipients or the state matching portion of the Medicaid capitation  
23 payments made to a PIHP.

24       (2) It is the intent of the legislature that any funds that  
25 lapse from the funds appropriated in part 1 for Medicaid mental  
26 health services shall be redistributed to individual CMHSPs as a  
27 reimbursement of local funds on a proportional basis to those



1 CMHSPs whose local funds were used as state Medicaid match. By  
2 April 1 of the current fiscal year, the department shall report to  
3 the senate and house appropriations subcommittees on the department  
4 budget, the senate and house fiscal agencies, the senate and house  
5 policy offices, and the state budget office on the lapse by PIHP  
6 from the previous fiscal year and the projected lapse by PIHP in  
7 the current fiscal year.

8       Sec. 935. A county required under the provisions of the mental  
9 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
10 matching funds to a CMHSP for mental health services rendered to  
11 residents in its jurisdiction shall pay the matching funds in equal  
12 installments on not less than a quarterly basis throughout the  
13 fiscal year, with the first payment being made by October 1 of the  
14 current fiscal year.

15       Sec. 940. (1) According to section 236 of the mental health  
16 code, 1974 PA 258, MCL 330.1236, the department shall do both of  
17 the following:

18       (a) Review expenditures for each CMHSP to identify CMHSPs with  
19 projected allocation surpluses and to identify CMHSPs with  
20 projected allocation shortfalls. The department shall encourage the  
21 board of a CMHSP with a projected allocation surplus to concur with  
22 the department's recommendation to reallocate those funds to CMHSPs  
23 with projected allocation shortfalls.

24       (b) Withdraw unspent funds that have been allocated to a CMHSP  
25 if other reallocated funds were expended in a manner not provided  
26 for in the approved contract, including expending funds on services  
27 and programs provided to individuals residing outside of the

1 CMHSP's geographic region.

2 (2) A CMHSP that has its funding allocation transferred out or  
3 withdrawn during the current fiscal year as described in subsection  
4 (1) is not eligible for any additional funding reallocations during  
5 the remainder of the current fiscal year, unless that CMHSP is  
6 responding to a public health emergency as determined by the  
7 department.

8 (3) CMHSPs shall report to the department on any proposed  
9 reallocations described in this section at least 30 days before any  
10 reallocations take effect.

11 (4) The department shall notify the chairs of the  
12 appropriation subcommittees on the department budget when a request  
13 is made and when the department grants approval for reallocation or  
14 withdraw as described in subsection (1). By September 30 of the  
15 current fiscal year, the department shall provide a report on the  
16 amount of funding reallocated or withdrawn to the senate and house  
17 appropriation subcommittees on the department budget, the senate  
18 and house fiscal agencies, the senate and house policy offices, and  
19 the state budget office.

20 Sec. 942. A CMHSP shall provide at least 30 days' notice  
21 before reducing, terminating, or suspending services provided by a  
22 CMHSP to CMHSP clients, with the exception of services authorized  
23 by a physician that no longer meet established criteria for medical  
24 necessity.

25 Sec. 943. The department shall study the viability of using  
26 telemedicine to perform competency examinations by a forensic  
27 psychiatrist. By January 1 of the current fiscal year, the

1 department shall report to the senate and house appropriations  
2 subcommittees on the department budget, the senate and house fiscal  
3 agencies, and the state budget office on the findings of the  
4 viability study, the total transportation costs by county for the  
5 previous fiscal year, and any savings, by county, from the use of  
6 telemedicine.

7       Sec. 950. The department, in collaboration with the Michigan  
8 Association of Community Mental Health Boards, shall determine the  
9 best payment method and financial cost of providing \$95.00 per  
10 month to court-appointed guardians and conservators that are  
11 providing services to individuals receiving community mental health  
12 services. By March 1 of the current fiscal year, the department  
13 shall provide a report to the house and senate appropriations  
14 subcommittees on the department budget, the house and senate fiscal  
15 agencies, the house and senate policy offices, and the state budget  
16 office on the proposed payment method and financial cost of  
17 providing \$95.00 per month to court-appointed guardians and  
18 conservators that are providing services to individuals receiving  
19 community mental health services.

20       Sec. 958. Medicaid services shall include treatment for autism  
21 spectrum disorders as defined in the federally approved Medicaid  
22 state plan. These services may be coordinated with the Medicaid  
23 health plans and the Michigan Association of Health Plans.

24       Sec. 994. (1) By January 1 of the current fiscal year, the  
25 department shall seek federal approval through either a waiver  
26 request or state plan amendment to allow a CMHSP, PIHP, or  
27 subcontracting provider agency that is reviewed and accredited by a

1 national accrediting entity for behavioral health care services to  
2 be considered in compliance with state program review and audit  
3 requirements that are addressed and reviewed by that national  
4 accrediting entity.

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

9 (a) The status of the federal approval process required in  
10 subsection (1).

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

14 (c) For each CMHSP, PIHP, or subcontracting provider agency  
15 described in subdivision (b), both of the following:

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

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

21 (3) The department shall continue to comply with state and  
22 federal law and shall not initiate an action that negatively  
23 impacts beneficiary safety. Any cost savings attributed to this  
24 action shall be reinvested back into services.

25 (4) As used in this section, "national accrediting entity"  
26 means the Joint Commission, formerly known as the Joint Commission  
27 on Accreditation of Healthcare Organizations, the Commission on

1 Accreditation of Rehabilitation Facilities, the Council on  
2 Accreditation, the URAC, formerly known as the Utilization Review  
3 Accreditation Commission, the National Committee for Quality  
4 Assurance, or another appropriate entity, as approved by the  
5 department.

6 Sec. 995. From the funds appropriated in part 1 for behavioral  
7 health program administration, \$4,350,000.00 is intended to address  
8 the recommendations of the mental health diversion council.

9 Sec. 997. The population data used in determining the  
10 distribution of substance use disorder block grant funds shall be  
11 from the most recent federal census.

12 Sec. 998. For distribution of state general funds to CMHSPs,  
13 if the department decides to use census data, the department shall  
14 use the most recent federal census data available.

15 Sec. 1003. The department shall notify the Michigan  
16 Association of Community Mental Health Boards when developing  
17 policies and procedures that will impact PIHPs or CMHSPs.

18 Sec. 1004. The department shall provide the senate and house  
19 appropriations subcommittee on the department budget, the senate  
20 and house fiscal agencies, and the state budget office any rebased  
21 formula changes to either Medicaid behavioral health services or  
22 non-Medicaid mental health services 90 days before implementation.  
23 The notification shall include a table showing the changes in  
24 funding allocation by PIHP for Medicaid behavioral health services  
25 or by CMHSP for non-Medicaid mental health services.

26 Sec. 1005. For the purposes of special projects involving  
27 high-need children or adults, including the not guilty by reason of

1 insanity population, the department may contract directly with  
2 providers of services to these identified populations.

3 Sec. 1008. The PIHP shall do all of the following:

4 (a) Work to reduce administration costs by ensuring that PIHP  
5 responsible functions are efficient in allowing optimal transition  
6 of dollars to those direct services considered most effective in  
7 assisting individuals served. Any consolidation of administrative  
8 functions must be demonstrated by independent analysis, a reduction  
9 in dollars spent on administration resulting in greater dollars  
10 spent on direct services. Savings resulting from increased  
11 efficiencies shall not be applied to PIHP net assets, internal  
12 service fund increases, building costs, increases in the number of  
13 PIHP personnel, or other areas not directly related to the delivery  
14 of improved services.

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

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

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

24 Sec. 1009. (1) From the funds appropriated in part 1 for  
25 Medicaid mental health services and Healthy Michigan plan -  
26 behavioral health, the department shall allocate up to  
27 \$22,500,000.00 to increase hourly wages by \$0.25 for direct care

1 workers providing Medicaid behavioral health supports and services.  
2 The department shall contractually mandate these funds be fully  
3 passed through to agencies directly responsible for paying the  
4 direct care workers' wages and shall contractually mandate that the  
5 agencies provide the department with ending wages at the end of the  
6 previous fiscal year and the new increased wages provided in the  
7 current fiscal year. The purpose of this allocation is to increase  
8 access to direct care services as reported in CMHSP sub-element  
9 cost reports, to reduce the turnover rate among direct care  
10 workers, and to improve the quality of direct care workers  
11 providing Medicaid behavioral health supports and services.

12 (2) Effective June 1, 2018, and utilizing the wage information  
13 provided in subsection (1), the department shall establish a pool  
14 of funds available to PIHPs to provide for an additional hourly  
15 wage increase of up to \$0.25 for direct care workers whose wages  
16 after the hourly rate increase in subsection (1) are less than  
17 \$10.90. These funds shall not be utilized to provide an hourly rate  
18 of greater than \$10.90. To receive these funds, each PIHP shall do  
19 the following:

20 (a) Each PIHP shall apply to the department to receive funds  
21 for the direct care worker wage pass-through fund, not to exceed  
22 their proportionate share of the funds allocated for this purpose.  
23 The application shall specify the amount of funds requested and the  
24 agencies or programs to receive the wage pass-through funds  
25 requested.

26 (b) Each PIHP awarded wage pass-through funds shall report to  
27 the department the actual expenditures of such funds in the format

1 to be determined by the department.

2 (c) Each PIHP awarded wage pass-through funds shall report to  
3 the department the range of wages paid to workers impacted by the  
4 wage pass-through, including information on the number of workers  
5 at each wage level.

6 (3) Any of the funds provided in this section not utilized by  
7 a PIHP for increasing direct care worker wages or for the  
8 employer's share of federal insurance contributions act costs shall  
9 be deducted from the base allocation to that PIHP in the subsequent  
10 fiscal year.

11 Sec. 1010. From the funds appropriated in part 1 for  
12 behavioral health program administration, up to \$2,000,000.00 shall  
13 be allocated to address the implementation of court-ordered  
14 assisted outpatient treatment as provided under chapter 4 of the  
15 mental health code, 1974 PA 258, MCL 330.1400 to 330.1490.

16 Sec. 1011. From the funds available in part 1 through the  
17 state targeted response to the opioid crisis grant, the department  
18 shall provide \$850,000.00 for the development of a genomic based  
19 demonstration program to predict opioid response and abuse and  
20 analyze cost savings to the state Medicaid population. The  
21 demonstration program shall be operated by a CMHSP located in a  
22 county with a population between 245,000 and 255,000 according to  
23 the most recent decennial census and shall identify relevant  
24 biomarkers that predict risk of opioid abuse and overdose by  
25 analyzing test results from the Medicaid population served by the  
26 CMHSP. The demonstration program shall utilize a custom screening  
27 panel developed by a Michigan based genomics lab that is certified



1 under the clinical laboratory improvement amendments of 1988,  
2 Public Law 100-578. The CMHSP shall analyze data and compile  
3 results relating to relevant biomarkers and their impact on cost to  
4 the Medicaid population in the demonstration program and present a  
5 final report to the department, the senate and house appropriations  
6 subcommittees on the department budget, and the senate and house  
7 fiscal agencies by June 1 of the current fiscal year.

8 Sec. 1012. By March 1 of the current fiscal year, the  
9 department shall submit a report to the senate and house  
10 appropriations subcommittees on the department budget, the senate  
11 and house fiscal agencies, the senate and house policy offices, and  
12 the state budget office addressing the challenge of meeting monthly  
13 deductible requirements in the Medicaid program and establish  
14 policy recommendations. The report shall include, but not be  
15 limited to, all of the following items:

16 (a) The average number of individuals who do not meet their  
17 monthly Medicaid deductibles in this state each year.

18 (b) How the reduction in general fund investment to CMHSPs for  
19 non-Medicaid services has played a role in the inability of many  
20 individuals to meet their spenddown.

21 (c) What currently counts as the protected income level and  
22 countable asset limit and how that compares to other states.

23 (d) An action plan for implementation of any proposed changes.

24 (e) An estimate of the costs that may be incurred from  
25 adoption of recommendations included in the report.

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

1       Sec. 1051. The department shall continue a revenue recapture  
2 project to generate additional revenues from third parties related  
3 to cases that have been closed or are inactive. A portion of  
4 revenues collected through project efforts may be used for  
5 departmental costs and contractual fees associated with these  
6 retroactive collections and to improve ongoing departmental  
7 reimbursement management functions.

8       Sec. 1052. The purpose of gifts and bequests for patient  
9 living and treatment environments is to use additional private  
10 funds to provide specific enhancements for individuals residing at  
11 state-operated facilities. Use of the gifts and bequests shall be  
12 consistent with the stipulation of the donor. The expected  
13 completion date for the use of gifts and bequests donations is  
14 within 3 years unless otherwise stipulated by the donor.

15       Sec. 1055. (1) The department shall not implement any closures  
16 or consolidations of state hospitals, centers, or agencies until  
17 CMHSPs or PIHPs have programs and services in place for those  
18 individuals currently in those facilities and a plan for service  
19 provision for those individuals who would have been admitted to  
20 those facilities.

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

27       (3) Four months after the certification of closure required in

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

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

10 Sec. 1056. The department may collect revenue for patient  
11 reimbursement from first- and third-party payers, including  
12 Medicaid and local county CMHSP payers, to cover the cost of  
13 placement in state hospitals and centers. The department is  
14 authorized to adjust financing sources for patient reimbursement  
15 based on actual revenues earned. If the revenue collected exceeds  
16 current year expenditures, the revenue may be carried forward with  
17 approval of the state budget director. The revenue carried forward  
18 shall be used as a first source of funds in the subsequent year.

19 Sec. 1057. The department shall work with the department of  
20 technology, management, and budget to evaluate the condition of the  
21 Hawthorn Center, the cost-effectiveness of improvements and  
22 investments and make recommendations to improve the quality of the  
23 facility needed by the patients.

24 Sec. 1058. Effective October 1 of the current fiscal year, the  
25 department, in consultation with the department of technology,  
26 management, and budget, may maintain a bid process to identify 1 or  
27 more private contractors to provide food service and custodial

1 services for the administrative areas at any state hospital  
2 identified by the department as capable of generating savings  
3 through the outsourcing of such services.

4 Sec. 1059. The department shall identify specific outcomes and  
5 performance measures for the center for forensic psychiatry,  
6 including, but not limited to, the following:

7 (a) The average wait time for persons determined incompetent  
8 to stand trial before admission to the center for forensic  
9 psychiatry.

10 (b) The average wait time for persons determined incompetent  
11 to stand trial before admission to other state-operated psychiatric  
12 facilities.

13 (c) The number of persons waiting to receive services at the  
14 center for forensic psychiatry.

15 (d) The number of persons waiting to receive services at other  
16 state-operated hospitals and centers.

17 Sec. 1060. (1) The department shall convene a workgroup in  
18 collaboration with the chairs of the house and senate  
19 appropriations subcommittees on the department budget or their  
20 designees, labor union representation, civil service, and any other  
21 appropriate parties to recommend solutions to address mandatory  
22 overtime, staff turnover, and staff retention at the state  
23 psychiatric hospitals and centers, including, but not limited to,  
24 permitting retired workers to return and permitting hiring of part-  
25 time workers.

26 (2) By March 1 of the current fiscal year, the department  
27 shall provide the workgroup's recommendations to the senate and

1 house appropriations subcommittees on the department budget, the  
2 senate and house fiscal agencies, and the state budget office.

3 Sec. 1061. The funds appropriated in part 1 for Caro Regional  
4 Mental Health Center shall only be utilized to support a  
5 psychiatric hospital located at its current location. It is the  
6 intent of the legislature that the Caro Regional Mental Health  
7 Center shall remain open and operational at its current location on  
8 an ongoing basis, and that any capital outlay funding shall be  
9 utilized for planning and construction at the current location  
10 instead of at a new location.

#### 11 **HEALTH POLICY**

12 Sec. 1140. 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. 1142. The department shall continue to seek means to  
20 increase retention of Michigan medical school students for  
21 completion of their primary care residency requirements within this  
22 state and ultimately, for some period of time, to remain in this  
23 state and serve as primary care physicians. The department is  
24 encouraged to work with Michigan institutions of higher education.

25 Sec. 1144. (1) From the funds appropriated in part 1 for  
26 health policy administration, the department shall allocate the

1 federal state innovation model grant funding that supports  
2 implementation of the health delivery system innovations detailed  
3 in this state's "Reinventing Michigan's Health Care System:  
4 Blueprint for Health Innovation" document. This initiative will  
5 test new payment methodologies, support improved population health  
6 outcomes, and support improved infrastructure for technology and  
7 data sharing and reporting. The funds will be used to provide  
8 financial support directly to regions participating in the model  
9 test and to support statewide stakeholder guidance and technical  
10 support.

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

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

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

19 (3) By March 1 and September 1 of the current fiscal year, the  
20 department shall submit a written report to the house and senate  
21 appropriations subcommittees on the department budget, the house  
22 and senate fiscal agencies, and the state budget office on the  
23 status of the program and progress made since the prior report.

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

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

4 (b) The data aggregator must be governed by a nonprofit  
5 entity.

6 (c) All decisions regarding the establishment, administration,  
7 and modification of the database must be made by an advisory board.  
8 The membership of the advisory board must include the director of  
9 the department or a designee of the director and representatives of  
10 health carriers, consumers, and purchasers.

11 (d) The Michigan Data Collaborative shall be the data  
12 aggregator to receive health care claims information from, without  
13 limitation, commercial health carriers, nonprofit health care  
14 corporations, health maintenance organizations, and third party  
15 administrators that process claims under a service contract.

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

18 Sec. 1145. The department will take steps necessary to work  
19 with Indian Health Service, tribal health program facilities, or  
20 Urban Indian Health Program facilities that provide services under  
21 a contract with a Medicaid managed care entity to ensure that those  
22 facilities receive the maximum amount allowable under federal law  
23 for Medicaid services.

24 Sec. 1146. From the funds appropriated in part 1 for bone  
25 marrow transplant registry, \$250,000.00 shall be allocated to  
26 Michigan Blood, the partner of the match registry of the national  
27 marrow donor program. The funds shall be used to offset ongoing

1 tissue typing expenses associated with donor recruitment and  
2 collection services and to expand those services to better serve  
3 the citizens of this state.

4 Sec. 1147. (1) From the funds appropriated in part 1 for  
5 primary care services, \$1,000,000.00 shall be appropriated for the  
6 first year of a 6-year early primary care pilot program to  
7 facilitate the placement of physicians in medically underserved  
8 areas of this state. The early primary care pilot program format  
9 includes all of the following:

10 (a) Recruitment of interested physicians before completion of  
11 first year of residency.

12 (b) To participate in the pilot program, a physician must do  
13 all of the following:

14 (i) Complete 1 year of post-graduate education.

15 (ii) Complete and pass all 3 parts of a national licensing  
16 board examination.

17 (iii) Obtain an unrestricted license to engage in the practice  
18 of osteopathic medicine and surgery or an unrestricted license to  
19 engage in the practice of medicine in this state.

20 (c) A participating physician shall enter into a contract to  
21 work with an employer for no less than 2 years in a federally  
22 underserved rural or urban area in this state, beginning the year  
23 following completion of 1 year of post-graduate education.

24 (d) The employer shall employ the physician at a competitive  
25 salary. A contractual employer may include, but is not limited to,  
26 a private practice physician or physician group, a hospital or  
27 hospital system, a community clinic, or a federally qualified



1 health center.

2 (e) Assistance with repayment of medical education loans of  
3 the participating physician shall be provided through local, state,  
4 federal, or other sources during the employment period, with a  
5 target assistance amount of \$50,000.00 over 2 years.

6 (f) Upon completion of the 2-year employment period,  
7 participating physicians may reenter and complete a post-graduate  
8 residency program.

9 (2) The department shall seek philanthropic support for the  
10 early primary care pilot program to achieve increased participation  
11 and may use state funds to match philanthropic contributions.

12 (3) The department shall contract with the Michigan Health  
13 Council for the purpose of administering the early primary care  
14 pilot program. Funds shall be disbursed by the department to the  
15 Michigan Health Council by December 1 of the current fiscal year  
16 for this purpose.

17 (4) Use of funds for administration of the early primary care  
18 pilot program is limited to no more than 10% of the total of all  
19 sources of funding.

20 (5) The department shall prepare a report on the status of the  
21 early primary care pilot program that shall include, but is not  
22 limited to, the number of physicians placed, location of placement,  
23 type of employer, average student loan burden of the participating  
24 physicians, and average loan relief provided under the program. By  
25 April 1 of the current fiscal year, the department shall provide  
26 the report described in this subsection to the house and senate  
27 appropriations subcommittees on the department budget, the house

1 and senate fiscal agencies and policy offices, and the state budget  
2 office.

3 (6) Unexpended and unencumbered funds up to a maximum of  
4 \$1,000,000.00 general fund/general purpose revenue in part 1 for  
5 primary care services are designated as work project  
6 appropriations, and any unencumbered or unalloted funds shall not  
7 lapse at the end of the fiscal year and shall be available for  
8 expenditures for the early primary care pilot program under this  
9 section until the project has been completed. All of the following  
10 are in compliance with section 451a of the management and budget  
11 act, 1984 PA 431, MCL 18.1451a:

12 (a) The purpose of the work project is to fund the cost of an  
13 early primary care program as provided by this section.

14 (b) The work project will be accomplished by administering the  
15 partnering of participating physicians with qualifying employers  
16 and coordinating the negotiation of medical school loan repayment  
17 assistance for the participating physician.

18 (c) The total estimated cost of the work project is  
19 \$1,000,000.00 of general fund/general purpose revenue.

20 (d) The tentative completion date of the work project is  
21 September 30, 2022.

22 Sec. 1150. From the funds appropriated in part 1 for health  
23 policy administration, the department shall dedicate 1.0 FTE  
24 position to coordinate with the department of licensing and  
25 regulatory affairs, the department of the attorney general, all  
26 appropriate law enforcement agencies, and the Medicaid health plans  
27 to reduce fraud related to opioid prescribing within Medicaid, and

1 to address other appropriate recommendations of the prescription  
2 drug and opioid abuse task force outlined in its report of October  
3 2015. By October 1 of the current fiscal year, the department shall  
4 submit a report to the senate and house appropriations  
5 subcommittees on the department budget, the senate and house fiscal  
6 agencies, the senate and house policy offices, and the state budget  
7 office on steps the department has taken to coordinate with the  
8 entities listed in this section and other stakeholders to reduce  
9 fraud related to opioid prescribing, and to address other  
10 appropriate recommendations of the task force.

11       Sec. 1151. From the funds appropriated in part 1 for health  
12 policy administration, the department shall dedicate 1.0 FTE  
13 position to coordinate with the department of licensing and  
14 regulatory affairs, the department of the attorney general, all  
15 appropriate law enforcement agencies, and the Medicaid health plans  
16 to work with local substance use disorder agencies and addiction  
17 treatment providers to help inform Medicaid beneficiaries of all  
18 medically appropriate treatment options for opioid addiction when  
19 their treating physician stops prescribing prescription opioid  
20 medication for pain, and to address other appropriate  
21 recommendations of the prescription drug and opioid abuse task  
22 force outlined in its report of October 2015. By October 1 of the  
23 current fiscal year, the department shall submit a report to the  
24 senate and house appropriations subcommittees on the department  
25 budget, the senate and house fiscal agencies, the senate and house  
26 policy offices, and the state budget office on how the department  
27 is working with local substance use disorder agencies and addiction

1 treatment providers to ensure that Medicaid beneficiaries are  
2 informed of all available and medically appropriate treatment  
3 options for opioid addiction when their treating physician stops  
4 prescribing prescription opioid medication for pain, and to address  
5 other appropriate recommendations of the task force. The report  
6 shall include any potential barriers to medication-assisted  
7 treatment, as recommended by the Michigan medication-assisted  
8 treatment guidelines, for Medicaid beneficiaries in both office-  
9 based opioid treatment and opioid treatment program facility  
10 settings.

11 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

12 Sec. 1180. From the funds appropriated in part 1 for  
13 epidemiology administration and for childhood lead program, the  
14 department shall reestablish a public health drinking water unit  
15 and enhance current efforts to monitor child blood lead levels. The  
16 public health drinking water unit shall ensure that appropriate  
17 investigations of potential health hazards occur for all community  
18 and noncommunity drinking water supplies where chemical exceedances  
19 of action levels, health advisory levels, or maximum contaminant  
20 limits are identified. With the fiscal year 2017-2018 increase in  
21 funding, the childhood lead program shall improve the timeliness  
22 and quality of care provided to children with lead exposure, to  
23 achieve a long-term reduction in the percentage of children in this  
24 state with elevated blood lead levels.

25 Sec. 1181. From the funds appropriated in part 1 for  
26 epidemiology administration, the department shall establish and

1 maintain a vapor intrusion response unit. The vapor intrusion  
2 response unit shall assess risks to public health at vapor  
3 intrusion sites and respond to vapor intrusion risks where  
4 appropriate. The goals of the vapor intrusion response unit shall  
5 include reducing the number of residents of this state exposed to  
6 toxic substances through vapor intrusion and improving health  
7 outcomes for individuals that are identified as having been exposed  
8 to vapor intrusion.

9       Sec. 1182. (1) From the funds appropriated in part 1 for the  
10 healthy homes program, no less than \$1,750,000.00 of general  
11 fund/general purpose funds and \$23,480,000.00 of federal funds  
12 shall be allocated for lead abatement of homes.

13       (2) By January 1 of the current fiscal year, the department  
14 shall provide a report to the house and senate appropriations  
15 subcommittees on the department budget, the house and senate fiscal  
16 agencies, and the state budget office on the expenditures and  
17 activities undertaken by the lead abatement program in the previous  
18 fiscal year from the funds appropriated in part 1 for the healthy  
19 homes program. The report shall include, but is not limited to, a  
20 funding allocation schedule, expenditures by category of  
21 expenditure and by subcontractor, revenues received, description of  
22 program elements, and description of program accomplishments and  
23 progress.

#### 24 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

25       Sec. 1220. The amount appropriated in part 1 for  
26 implementation of the 1993 additions of or amendments to sections

1 9161, 16221, 16226, 17014, 17015, and 17515 of the public health  
2 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,  
3 333.17015, and 333.17515, shall be used to reimburse local health  
4 departments for costs incurred related to implementation of section  
5 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

6 Sec. 1221. If a county that has participated in a district  
7 health department or an associated arrangement with other local  
8 health departments takes action to cease to participate in such an  
9 arrangement after October 1 of the current fiscal year, the  
10 department shall have the authority to assess a penalty from the  
11 local health department's operational accounts in an amount equal  
12 to no more than 6.25% of the local health department's essential  
13 local public health services funding. This penalty shall only be  
14 assessed to the local county that requests the dissolution of the  
15 health department.

16 Sec. 1222. (1) Funds appropriated in part 1 for essential  
17 local public health services shall be prospectively allocated to  
18 local health departments to support immunizations, infectious  
19 disease control, sexually transmitted disease control and  
20 prevention, hearing screening, vision services, food protection,  
21 public water supply, private groundwater supply, and on-site sewage  
22 management. Food protection shall be provided in consultation with  
23 the department of agriculture and rural development. Public water  
24 supply, private groundwater supply, and on-site sewage management  
25 shall be provided in consultation with the department of  
26 environmental quality.

27 (2) Local public health departments shall be held to

1 contractual standards for the services in subsection (1).

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

6 (4) By December 1 of the current fiscal year, the department  
7 shall provide a report to the house and senate appropriations  
8 subcommittees on the department budget, the house and senate fiscal  
9 agencies, and the state budget director on the planned allocation  
10 of the funds appropriated for essential local public health  
11 services.

12 Sec. 1223. (1) From the funds appropriated in part 1 for  
13 dental programs, \$150,000.00 shall be allocated to the Michigan  
14 Dental Association for the administration of a volunteer dental  
15 program that provides dental services to the uninsured.

16 (2) By December 1 of the current fiscal year, the department  
17 shall report to the senate and house appropriations subcommittees  
18 on the department budget, the senate and house standing committees  
19 on health policy, the senate and house fiscal agencies, and the  
20 state budget office the number of individual patients treated,  
21 number of procedures performed, and approximate total market value  
22 of those procedures from the previous fiscal year.

23 Sec. 1224. The department shall use revenue from mobile  
24 dentistry facility permit fees received under section 21605 of the  
25 public health code, 1978 PA 368, MCL 333.21605, to offset the cost  
26 of the permit program.

27 Sec. 1225. The department shall work with the Michigan health

1 endowment fund corporation established under section 653 of the  
2 nonprofit health care corporation reform act, 1980 PA 350, MCL  
3 550.1653, to explore ways to fund and evaluate current and future  
4 policies and programs. It is the intent of the legislature that, by  
5 March 1 of the current fiscal year, the senate and house  
6 appropriations subcommittees on the department budget shall hold a  
7 joint hearing for the purpose of a presentation by the Michigan  
8 health endowment fund corporation and the department, detailing the  
9 steps taken to work together, and to report on initiatives  
10 supported by the Michigan health endowment fund.

11       Sec. 1226. From the funds appropriated in part 1 for health  
12 and wellness initiatives, \$1,000,000.00 shall be allocated for a  
13 school children's healthy exercise program to promote and advance  
14 physical health for school children in kindergarten through grade  
15 8. The department shall recommend model programs for sites to  
16 implement that incorporate evidence-based best practices. The  
17 department shall grant no less than 1/2 of the funds appropriated  
18 in part 1 for before- and after-school programs. The department  
19 shall establish guidelines for program sites, which may include  
20 schools, community-based organizations, private facilities,  
21 recreation centers, or other similar sites. The program format  
22 shall encourage local determination of site activities and shall  
23 encourage local inclusion of youth in the decision-making regarding  
24 site activities. Program goals shall include children experiencing  
25 improved physical health and access to physical activity  
26 opportunities, the reduction of obesity, providing a safe place to  
27 play and exercise, and nutrition education. To be eligible to



1 participate, program sites shall provide a 20% match to the state  
2 funding, which may be provided in full, or in part, by a  
3 corporation, foundation, or private partner. The department shall  
4 seek financial support from corporate, foundation, or other private  
5 partners for the program or for individual program sites.

6       Sec. 1227. The department shall establish criteria for all  
7 funds allocated under part 1 for health and wellness initiatives.  
8 The criteria must include a requirement that all programs funded be  
9 evidence-based and supported by research, include interventions  
10 that have been shown to demonstrate outcomes that lower cost and  
11 improve quality, and be designed for statewide impact. Preference  
12 must be given to programs that utilize the funding as match for  
13 additional resources including, but not limited to, federal  
14 sources.

15       Sec. 1228. From the funds appropriated in part 1 for injury  
16 control intervention project, \$1,000,000.00 shall be allocated for  
17 implementation of evidence-based, real-time, quality assurance  
18 decision support software in the treatment of pediatric traumatic  
19 brain injury and for protocols that are to be available to all  
20 hospitals providing those trauma services. The funds shall be used  
21 to purchase statewide licenses for pediatric traumatic brain injury  
22 treatment software and related software services and to offset  
23 hospital software integration costs. The department shall seek  
24 federal matching funds that may be available for implementation of  
25 this section.

26       Sec. 1229. (1) From the funds appropriated in part 1 for  
27 dental programs, \$1,550,000.00 shall be distributed to local health

1 departments who partner with a qualified nonprofit provider of  
2 dental services for the purpose of providing high-quality dental  
3 homes for seniors, children, and adults enrolled in Medicaid, and  
4 low-income uninsured.

5 (2) In order to be considered a qualified nonprofit provider  
6 of dental services, the provider must demonstrate an effective  
7 health insurance enrollment process for uninsured patients and  
8 demonstrate to the department an effective process of charging  
9 patients on a sliding scale based on the patient's ability to pay.

10 (3) Outcomes and performance measures for the program under  
11 this section include, but are not limited to, the following:

12 (a) The number of uninsured patients who visited a  
13 participating dentist over the prior year, broken down between  
14 adults and children.

15 (b) The number of patients assisted with health insurance  
16 enrollment, broken down between adults and children.

17 (c) A 5-year trend of the number of uninsured patients being  
18 served, broken down between adults and children.

19 Sec. 1230. The department shall consider the development and  
20 implementation of a school-based pilot program for children up to  
21 grade 7 that may include, but is not limited to, oral health  
22 assessments, primary dental services, and referrals. The department  
23 shall consult with the department of education in considering the  
24 development of the school-based pilot program, and seek  
25 partnerships with local entities, and dental and philanthropic  
26 organizations to carry out the program. The school-based pilot  
27 program shall track the number of children offered and receiving

1 services at the school sites. Program goals shall include improving  
2 oral and physical health outcomes for children, improving rates of  
3 children receiving dental sealants, and reduction of rates of  
4 childhood tooth decay.

5 **FAMILY, MATERNAL, AND CHILD HEALTH**

6 Sec. 1301. (1) Before April 1 of the current fiscal year, the  
7 department shall submit a report to the house and senate fiscal  
8 agencies and the state budget director on planned allocations from  
9 the amounts appropriated in part 1 for local MCH services, prenatal  
10 care outreach and service delivery support, family planning local  
11 agreements, and pregnancy prevention programs. Using applicable  
12 federal definitions, the report shall include information on all of  
13 the following:

14 (a) Funding allocations.

15 (b) Actual number of women, children, and adolescents served  
16 and amounts expended for each group for the immediately preceding  
17 fiscal year.

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

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

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

1       Sec. 1302. Each family planning program receiving federal  
2 title X family planning funds under 42 USC 300 to 300a-8 shall be  
3 in compliance with all performance and quality assurance indicators  
4 that the office of population affairs within the United States  
5 Department of Health and Human Services specifies in the program  
6 guidelines for project grants for family planning services. An  
7 agency not in compliance with the indicators shall not receive  
8 supplemental or reallocated funds.

9       Sec. 1303. The department shall not contract with an  
10 organization that provides elective abortions, abortion counseling,  
11 or abortion referrals, for services that are to be funded with  
12 state restricted or state general fund/general purpose funds  
13 appropriated in part 1 for family planning local agreements. An  
14 organization under contract with the department shall not  
15 subcontract with an organization that provides elective abortions,  
16 abortion counseling, or abortion referrals, for services that are  
17 to be funded with state restricted or state general fund/general  
18 purpose funds appropriated in part 1 for family planning local  
19 agreements.

20       Sec. 1304. The department shall not use state restricted funds  
21 or state general funds appropriated in part 1 in the pregnancy  
22 prevention program or family planning local agreements  
23 appropriation line items for abortion counseling, referrals, or  
24 services.

25       Sec. 1307. From the funds appropriated in part 1 for prenatal  
26 care outreach and service delivery support, \$650,000.00 of TANF  
27 revenue shall be allocated for a pregnancy and parenting support

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

17       Sec. 1308. From the funds appropriated in part 1 for prenatal  
18 care outreach and service delivery support, not less than  
19 \$500,000.00 of funding shall be allocated for evidence-based  
20 programs to reduce infant mortality including nurse family  
21 partnership programs. The funds shall be used for enhanced support  
22 and education to nursing teams or other teams of qualified health  
23 professionals, client recruitment in areas designated as  
24 underserved for obstetrical and gynecological services and other  
25 high-need communities, strategic planning to expand and sustain  
26 programs, and marketing and communications of programs to raise  
27 awareness, engage stakeholders, and recruit nurses.

1       Sec. 1309. The department shall allocate funds appropriated in  
2 section 117 of part 1 for family, maternal, and child health  
3 according to section 1 of 2002 PA 360, MCL 333.1091.

4       Sec. 1310. The department shall continue to work jointly with  
5 the Michigan state housing development authority and the joint task  
6 force established under article IV of 2014 PA 252 to review housing  
7 rehabilitation, energy and weatherization, and hazard abatement  
8 program policies and to make recommendations for integrating and  
9 coordinating project delivery with the goals of serving more  
10 families and achieving better outcomes by maximizing state and  
11 federal resources. The joint task force may provide recommendations  
12 to the department. Recommendations of the joint task force must  
13 give consideration to best practices and cost effectiveness.

14       Sec. 1311. From the funds appropriated in part 1 for prenatal  
15 care outreach and service delivery support, equal consideration  
16 shall be given to all eligible evidence-based providers in all  
17 regions in contracting for rural home visitation services.

18       Sec. 1313. (1) The department shall continue developing an  
19 outreach program on fetal alcohol syndrome services, targeting  
20 health promotion, prevention, and intervention as described in the  
21 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

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

25       Sec. 1314. The department shall enhance education and outreach  
26 efforts that encourage women of childbearing age to seek  
27 confirmation at the earliest indication of possible pregnancy and

1 initiate continuous and routine prenatal care upon confirmation of  
2 pregnancy. The department shall ensure that department programs,  
3 policies, and practices promote prenatal and obstetrical care by  
4 doing the following:

5 (a) Supporting access to care.

6 (b) Reducing and eliminating barriers to care.

7 (c) Supporting recommendations for best practices.

8 (d) Encouraging optimal prenatal habits such as prenatal  
9 medical visits, use of prenatal vitamins, and cessation of use of  
10 tobacco, alcohol, or drugs.

11 (e) Tracking of birth outcomes to study improvements in  
12 prevalence of fetal drug addiction, fetal alcohol syndrome, and  
13 other preventable neonatal disease.

14 (f) Tracking of maternal increase in healthy behaviors  
15 following childbirth.

16 Sec. 1340. The department shall include national brand peanut  
17 butter on the list of approved women, infants, and children special  
18 supplemental nutrition program basket items.

#### 19 **EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS**

20 Sec. 1350. From the funds appropriated in part 1 for emergency  
21 medical services, the department shall allocate \$182,000.00 for  
22 emergency medical services in the Upper Peninsula for the provision  
23 of emergency medical services in rural counties.

#### 24 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

25 Sec. 1360. The department may do 1 or more of the following:

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

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

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

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

9 Sec. 1361. From the funds appropriated in part 1 for medical  
10 care and treatment, the department is authorized to spend those  
11 funds for the continued development and expansion of telemedicine  
12 capacity to allow families with children in the children's special  
13 health care services program to access specialty providers more  
14 readily and in a more timely manner.

15 **AGING AND ADULT SERVICES AGENCY**

16 Sec. 1402. The department may encourage the Food Bank Council  
17 of Michigan to collaborate directly with each area agency on aging  
18 and any other organizations that provide senior nutrition services  
19 to secure the food access of vulnerable seniors.

20 Sec. 1403. (1) By February 1 of the current fiscal year, the  
21 aging and adult services agency shall require each region to report  
22 to the aging and adult services agency and to the legislature home-  
23 delivered meals waiting lists based upon standard criteria.

24 Determining criteria shall include all of the following:

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

26 (b) The recipient's inability to prepare his or her own meals



1 safely.

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

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

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

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

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

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

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

22 Sec. 1422. (1) From the funds appropriated in part 1 for aging  
23 and adult services administration, not less than \$300,000.00 shall  
24 be allocated for the department to contract with the Prosecuting  
25 Attorneys Association of Michigan to provide the support and  
26 services necessary to increase the capability of the state's  
27 prosecutors, adult protective service system, and criminal justice

1 system to effectively identify, investigate, and prosecute elder  
2 abuse and financial exploitation.

3 (2) By March 1 of the current fiscal year, the Prosecuting  
4 Attorneys Association of Michigan shall provide a report on the  
5 efficacy of the contract to the state budget office, the house and  
6 senate appropriations subcommittees on the department budget, the  
7 house and senate fiscal agencies, and the house and senate policy  
8 offices.

9 Sec. 1425. The department shall coordinate with the department  
10 of licensing and regulatory affairs to ensure that, upon receipt of  
11 the order of suspension of a licensed adult foster care home, home  
12 for the aged, or nursing home, the department of licensing and  
13 regulatory affairs shall provide notice to the department, to the  
14 house and senate appropriations subcommittees on the department  
15 budget, and to the members of the house and senate that represent  
16 the legislative districts of the county in which the facility lies.

#### 17 **MEDICAL SERVICES ADMINISTRATION**

18 Sec. 1501. The unexpended funds appropriated in part 1 for the  
19 electronic health records incentive program are considered work  
20 project appropriations, and any unencumbered or unallotted funds  
21 are carried forward into the following fiscal year. The following  
22 is in compliance with section 451a(1) of the management and budget  
23 act, 1984 PA 431, MCL 18.1451a:

24 (a) The purpose of the project to be carried forward is to  
25 implement the Medicaid electronic health record program that  
26 provides financial incentive payments to Medicaid health care

1 providers to encourage the adoption and meaningful use of  
2 electronic health records to improve quality, increase efficiency,  
3 and promote safety.

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

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

8 (d) The tentative completion date for the work project is  
9 September 30, 2021.

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

14 Sec. 1503. From the funds appropriated in part 1 for Healthy  
15 Michigan plan administration, the department shall maintain an  
16 accounting structure within the statewide integrated governmental  
17 management applications that will allow expenditures associated  
18 with the administration of the Healthy Michigan plan to be  
19 identified.

20 Sec. 1505. By March 1 and September 1 of the current fiscal  
21 year, the department shall submit a report to the senate and house  
22 appropriations subcommittees on the department budget, the senate  
23 and house fiscal agencies, and the state budget office including  
24 both of the following:

25 (a) The department's projected annual increase in  
26 reimbursement savings and cost offsets that will result from the  
27 funds appropriated in part 1 for the office of inspector general

1 and third party liability efforts.

2 (b) The actual increase in reimbursement savings and cost  
3 offsets that have resulted from the funds appropriated in part 1  
4 for the office of inspector general and third party liability  
5 efforts.

6 Sec. 1506. The department shall submit to the senate and house  
7 appropriations subcommittees on the department budget, the senate  
8 and house fiscal agencies, the senate and house policy offices, and  
9 the state budget office a quarterly report on the implementation  
10 status of the public assistance call center that includes all of  
11 the following information:

12 (a) Call volume during the prior quarter.

13 (b) Percentage of calls resolved through the public assistance  
14 call center.

15 (c) Percentage of calls transferred to a local department  
16 office or other office for resolution.

17 (d) Number of Medicaid applications completed by the public  
18 assistance call center staff and submitted on behalf of clients.

19 Sec. 1507. (1) From the funds appropriated in part 1 for  
20 technology supporting integrated service delivery, the department  
21 shall establish new information technology tools and enhance  
22 existing systems to improve the eligibility and enrollment process  
23 for citizens accessing department administered programs. This  
24 information technology system will consolidate beneficiary  
25 information, support department caseworker efforts in building a  
26 success plan for beneficiaries, and better support department staff  
27 in supporting enrollees in assistance programs.

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

3 (a) Successful consolidation of data warehouses maintained by  
4 the department.

5 (b) The amount of time a department caseworker devotes to data  
6 entry when initiating an enrollee application.

7 (c) A reduction in wait times for persons enrolled in  
8 assistance programs to speak with department staff and get  
9 necessary changes made.

10 (d) A reduction in department caseworker workload.

11 Sec. 1508. From the funds appropriated in part 1 for medical  
12 services administration, \$500,000.00 is appropriated for the  
13 operation and maintenance of the Michigan dental registry in  
14 support of the enhanced dental benefit for the Healthy Kids Dental  
15 program. Additionally, the department shall explore the expansion  
16 of the scope of the Michigan dental registry to enhance the  
17 Medicaid adult dental benefit for pregnant women.

18 **MEDICAL SERVICES**

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

24 Sec. 1603. (1) The department may establish a program for  
25 individuals to purchase medical coverage at a rate determined by  
26 the department.

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

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

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

10          Sec. 1606. For the purpose of guardian and conservator  
11 charges, the department may deduct up to \$95.00 per month as an  
12 allowable expense against a recipient's income when determining  
13 medical services eligibility and patient pay amounts.

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

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

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

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

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

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

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

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

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

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

20       Sec. 1620. (1) According to the federal covered outpatient  
21 drug final rule with comment (CMS-2345-FC), the department shall  
22 establish a professional pharmaceutical dispensing fee for pharmacy  
23 benefits that are reimbursed on a fee-for-service basis. In  
24 establishing this fee, the department shall comply with federal law  
25 while taking into consideration the state's long-term financial  
26 exposure and Medicaid beneficiaries' access to care. The  
27 established fee shall not be lower than the amount in effect on



1 October 1, 2015.

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

7 (3) The department shall require a prescription co-payment for  
8 Medicaid recipients enrolled in the Healthy Michigan plan with an  
9 income of at least 100% of the federal poverty level of \$4.00 for a  
10 generic drug and \$8.00 for a brand-name drug, except as prohibited  
11 by federal or state law or regulation.

12 Sec. 1621. The department shall report to the house and senate  
13 appropriations subcommittees on the department budget, the house  
14 and senate fiscal agencies, and the state budget office on  
15 strategies the department is using to minimize the state cost of  
16 specialty drugs. Also, the department may take additional measures  
17 in order to further reduce state costs, while also ensuring that  
18 appropriate clinical care is being utilized. The report shall also  
19 include information on savings generated as a result of these  
20 additional measures that may include additional cost sharing, step  
21 therapy, and prior authorization.

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

26 Sec. 1631. (1) The department shall require co-payments on  
27 dental, podiatric, and vision services provided to Medicaid

1 recipients, except as prohibited by federal or state law or  
2 regulation.

3 (2) Except as otherwise prohibited by federal or state law or  
4 regulation, the department shall require Medicaid recipients not  
5 enrolled in the Healthy Michigan plan or with an income less than  
6 100% of the federal poverty level to pay not less than the  
7 following co-payments:

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

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

10 (c) Fifty dollars for the first day of an inpatient hospital  
11 stay.

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

13 (3) Except as otherwise prohibited by federal or state law or  
14 regulation, the department shall require Medicaid recipients  
15 enrolled in the Healthy Michigan plan with an income of at least  
16 100% of the federal poverty level to pay the following co-payments:

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

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

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

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

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

1       Sec. 1645. The department shall consider using the most recent  
2   3 years of actual days of care provided, as reported in the annual  
3   cost reports, for the purpose of establishing the nursing facility  
4   quality assurance assessment fee. For any year in which the  
5   estimated days of care compared to the actual days of care provided  
6   by each nursing home and hospital long-term care unit creates an  
7   aggregate overpayment of \$1,000,000.00 or more as a result of the  
8   nursing facility quality assurance assessment fee, the department  
9   shall report the excess assessed amount to the senate and house  
10   appropriation subcommittees on the department budget, the senate  
11   and house fiscal agencies, and the state budget office. By April 1  
12   of the current fiscal year, the department shall report on  
13   feasibility of creating a more accurate formula for next year's  
14   assessment and a recommendation if a refund can or cannot be made  
15   to the senate and house appropriation subcommittees on the  
16   department budget, the senate and house fiscal agencies, and the  
17   state budget office.

18       Sec. 1646. (1) From the funds appropriated in part 1 for long-  
19   term care services, the department shall implement a nursing  
20   facility quality measure initiative program. The initiative shall  
21   be financed through an increase of the quality assurance assessment  
22   for nursing homes and hospital long-term care units, and the funds  
23   shall be distributed according to the following criteria:

24       (a) The department shall award more dollars to nursing  
25   facilities that have a higher CMS 5-star quality measure domain  
26   rating.

27       (b) If the reward payment is expended on a Medicaid allowable

1 cost basis, that cost must be included in accordance with the  
2 current Medicaid reimbursement methodology.

3 (c) A nursing facility with a CMS 5-star quality measure  
4 domain star rating of 1 or 2 must file an action plan with the  
5 department describing how it intends to use funds appropriated  
6 under this section to increase quality outcomes before funding  
7 shall be released.

8 (d) Licensed beds must be factored into the formula to address  
9 overall capacity.

10 (e) The percentage of total incentive dollars must reflect the  
11 following Medicaid utilization scale:

12 (i) For nursing facilities with a Medicaid participation rate  
13 of above 63%, the facility shall receive 100% of the incentive  
14 payment.

15 (ii) For nursing facilities with a Medicaid participation rate  
16 between 50% and 63%, the facility shall receive 75% of the  
17 incentive payment.

18 (iii) For nursing facilities with a Medicaid participation  
19 rate of less than 50%, the facility shall receive 50% of the  
20 incentive payment.

21 (iv) For nursing facilities not enrolled in Medicaid, the  
22 facility shall not receive an incentive payment.

23 (f) The incentive payment shall be paid as a monthly gross  
24 adjustment.

25 (2) It is the intent of the legislature that, beginning in the  
26 fiscal year ending September 30, 2019, the department and nursing  
27 facility representatives shall evaluate the program's effectiveness

1 on quality, measured by the change in the CMS 5-star quality  
2 measure domain rating since the implementation of this section.

3 Sec. 1657. (1) Reimbursement for medical services to screen  
4 and stabilize a Medicaid recipient, including stabilization of a  
5 psychiatric crisis, in a hospital emergency room shall not be made  
6 contingent on obtaining prior authorization from the recipient's  
7 HMO. If the recipient is discharged from the emergency room, the  
8 hospital shall notify the recipient's HMO within 24 hours of the  
9 diagnosis and treatment received.

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

14 (3) Subsections (1) and (2) do not require an alteration to an  
15 existing agreement between an HMO and its contracting hospitals and  
16 do not require an HMO to reimburse for services that are not  
17 considered to be medically necessary.

18 Sec. 1659. The following sections of this part are the only  
19 ones that shall apply to the following Medicaid managed care  
20 programs, including the comprehensive plan, MIChoice long-term care  
21 plan, and the mental health, substance use disorder, and  
22 developmentally disabled services program: 904, 911, 918, 920, 928,  
23 942, 994, 1008, 1009, 1607, 1657, 1662, 1699, 1700, 1702, 1764,  
24 1809, 1810, 1820, 1850, 1875, 1882, and 1888.

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

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

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

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

14 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
15 program is to be used to provide comprehensive health care to all  
16 children under age 19 who reside in families with income at or  
17 below 212% of the federal poverty level, who are uninsured and have  
18 not had coverage by other comprehensive health insurance within 6  
19 months of making application for MICHild benefits, and who are  
20 residents of this state. The department shall develop detailed  
21 eligibility criteria through the medical services administration  
22 public concurrence process, consistent with the provisions of this  
23 part and part 1.

24 (2) The department may provide up to 1 year of continuous  
25 eligibility to children eligible for the MICHild program unless the  
26 family fails to pay the monthly premium, a child reaches age 19, or  
27 the status of the children's family changes and its members no

1 longer meet the eligibility criteria as specified in the state  
2 plan.

3 (3) The department may make payments on behalf of children  
4 enrolled in the MICHild program as described in the MICHild state  
5 plan approved by the United States Department of Health and Human  
6 Services, or from other medical services.

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

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

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

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

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

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

27 (e) Substance use disorder treatment services that may include

1 inpatient, outpatient, and residential substance use disorder  
2 treatment services.

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

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

6 (h) Emergency ambulance services.

7 Sec. 1682. (1) In addition to the appropriations in part 1,  
8 the department is authorized to receive and spend penalty money  
9 received as the result of noncompliance with medical services  
10 certification regulations. Penalty money, characterized as private  
11 funds, received by the department shall increase authorizations and  
12 allotments in the long-term care accounts.

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

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

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

27 (a) Finance activities within the medical services



1 administration related to this project.

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

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

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

13 Sec. 1694. From the funds appropriated in part 1 for special  
14 Medicaid reimbursement, \$386,700.00 of general fund/general purpose  
15 revenue and any associated federal match shall be distributed for  
16 poison control services to an academic health care system that  
17 includes a children's hospital that has a high indigent care  
18 volume.

19 Sec. 1699. (1) The department may make separate payments in  
20 the amount of \$45,000,000.00 directly to qualifying hospitals  
21 serving a disproportionate share of indigent patients and to  
22 hospitals providing GME training programs. If direct payment for  
23 GME and DSH is made to qualifying hospitals for services to  
24 Medicaid recipients, hospitals shall not include GME costs or DSH  
25 payments in their contracts with HMOs.

26 (2) The department shall allocate \$45,000,000.00 in DSH  
27 funding using the distribution methodology used in fiscal year

1 2003-2004.

2 Sec. 1700. (1) By December 1 of the current fiscal year, the  
3 department shall report to the senate and house appropriations  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies, and the state budget office on the distribution of  
6 funding provided, and the net benefit if the special hospital  
7 payment is not financed with general fund/general purpose revenue,  
8 to each eligible hospital during the previous fiscal year from the  
9 following special hospital payments:

10 (a) DSH, separated out by unique DSH pool.

11 (b) GME.

12 (c) Special rural hospital payments provided under section  
13 1866.

14 (d) Lump-sum payments to rural hospitals for obstetrical care  
15 provided under section 1802.

16 (2) By May 1 of the current fiscal year, the department shall  
17 report to the senate and house appropriations subcommittees on the  
18 department budget, the senate and house fiscal agencies, and the  
19 state budget office on the projected distribution of funding, and  
20 the projected net benefit if the special hospital payment is not  
21 financed with general fund/general purpose revenue, to each  
22 eligible hospital from the following special hospital payments:

23 (a) DSH, separated out by unique DSH pool.

24 (b) GME.

25 (c) Special rural hospital payments provided under section  
26 1866.

27 (d) Lump-sum payments to rural hospitals for obstetrical care

1 provided under section 1802.

2       Sec. 1702. From the funds appropriated in part 1, the  
3 department shall maintain the 15% rate increase provided during the  
4 fiscal year ending September 30, 2017 for private duty nursing  
5 services for Medicaid beneficiaries under the age of 21. These  
6 additional funds must be used to attract and retain highly  
7 qualified registered nurses and licensed practical nurses to  
8 provide private duty nursing services so that medically frail  
9 children can be cared for in the most homelike setting possible.

10       Sec. 1704. (1) From the funds appropriated in part 1 for  
11 dental services, the department shall allocate \$2,697,300.00 to  
12 support the enhancement of the Medicaid adult dental benefit for  
13 pregnant women enrolled in a Medicaid program.

14       (2) The department shall report to the senate and house  
15 appropriations subcommittees on the department budget, the senate  
16 and house fiscal agencies, and the state budget office by October 1  
17 of the current fiscal year on the steps taken by the department to  
18 implement subsection (1).

19       (3) Outcomes and performance measures for the program change  
20 under this section include, but are not limited to, the following:

21       (a) The number of pregnant women enrolled in Medicaid who  
22 visited a dentist over the prior year.

23       (b) The number of dentists statewide who participate in  
24 providing dental services to pregnant women enrolled in Medicaid.

25       Sec 1705. By January 1 of the current fiscal year, the  
26 department shall provide to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, and the state budget office a report on the top 10  
2 procedures by volume in the Medicaid fee for service program that  
3 were performed in hospital outpatient departments.

4 Sec. 1706. From the funds appropriated in part 1 for adult  
5 home help services, the department may issue a request for proposal  
6 for the purpose of implementing a pilot program to conduct criminal  
7 history background checks on home help aides employed by individual  
8 providers, and to require agency providers to conduct criminal  
9 history background checks on their employees or subcontractors.

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

17 Sec. 1730. The department shall continue to maintain enhanced  
18 assessment tools established in collaboration with the department  
19 of education that promote literacy development of pregnant women  
20 and new mothers in the maternal infant health program. When  
21 possible, the department shall include new fathers of the infants  
22 in the literacy promotion efforts that are included in the  
23 assessment tools and in the subsequent services provided. The  
24 assessment tools shall expand the assessment of maternal and  
25 parental literacy and provide support and referrals to resources to  
26 enable program participants to achieve an increase in literacy that  
27 may contribute to improvements in family health, economic, and life

1 outcomes.

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

6       Sec. 1764. The department shall annually certify whether rates  
7 paid to Medicaid health plans and specialty PIHPs are actuarially  
8 sound in accordance with federal requirements and shall provide a  
9 copy of the rate certification and approval of rates paid to  
10 Medicaid health plans and specialty PIHPs within 5 business days  
11 after certification or approval to the senate and house  
12 appropriations subcommittees on the department budget, the senate  
13 and house fiscal agencies, and the state budget office. Following  
14 the rate certification, the department shall ensure that no new or  
15 revised state Medicaid policy bulletin that is promulgated  
16 negatively impacts the capitation rates that have been certified.

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

1           (2) The department shall ensure the existence of an ombudsman  
2 program that is not associated with any project service manager or  
3 provider to assist MI Health Link beneficiaries with navigating  
4 complaint and dispute resolution mechanisms and to identify  
5 problems in the demonstrations and in the complaint and dispute  
6 resolution mechanisms.

7           Sec. 1782. Subject to federal approval, from the funds  
8 appropriated in part 1 for health plan services, the department  
9 shall allocate \$500,000.00 general fund/general purpose plus any  
10 available work project funds and federal match to the Medicaid  
11 health plans through a capitation rate increase for children. This  
12 rate increase shall be used to support a statewide media campaign  
13 for improving this state's immunization rates.

14          Sec. 1790. It is the intent of the legislature that any  
15 restricted funds provided for ambulance provider reimbursements  
16 must come from an ambulance provider quality assurance assessment  
17 with a base narrowly tailored to ambulance services that does not  
18 include other municipal services.

19          Sec. 1791. From the funds appropriated in part 1 for health  
20 plan services and physician services, the department shall increase  
21 Medicaid reimbursement rates for neonatal services to no more than  
22 75% of the Medicare rate received for those services in effect on  
23 the date the services are provided to eligible Medicaid recipients.  
24 The current procedural terminology (CPT) codes that are eligible  
25 for this reimbursement rate increase are 99468, 99469, 99471,  
26 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

27          Sec. 1800. For the distribution of each of the pools within

1 the \$85,000,000.00 outpatient disproportionate share hospital  
2 payment, the department shall maintain a formula for the  
3 distribution of each pool based on the quality of care, cost,  
4 traditional disproportionate share hospital factors such as  
5 Medicaid utilization and uncompensated care, and any other factor  
6 that the department determines should be considered.

7       Sec. 1801. (1) From the funds appropriated in part 1 for  
8 physician services and health plan services, the department shall  
9 continue the increase to Medicaid rates for primary care services  
10 provided only by primary care providers. For the purpose of this  
11 section, a primary care provider is a physician, or a practitioner  
12 working under the personal supervision of a physician, who is  
13 either licensed under part 170 or part 175 of the public health  
14 code, 1978 PA 368, MCL 333.17001 to 333.17084 and 333.17501 to  
15 333.17556, and working as a primary care provider in general  
16 practice or board-eligible or certified with a specialty  
17 designation of family medicine, general internal medicine, or  
18 pediatric medicine, or a provider who provides the department with  
19 documentation of equivalency. Providers performing a service and  
20 whose primary practice is as a non-primary-care subspecialty is not  
21 eligible for the increase. The department shall establish policies  
22 that most effectively limit the increase to primary care providers  
23 for primary care services only.

24       (2) The department shall report by March 1 of the current  
25 fiscal year to the senate and house subcommittees on the department  
26 budget, the senate and house fiscal agencies, the senate and house  
27 policy offices, and the state budget office the following:

1 (a) A list of medical specialties and licensed providers that  
2 were paid enhanced primary care rates in the fiscal year ending  
3 September 30, 2016.

4 (b) Information on the geographic distribution of specialists  
5 who received enhanced rates in the fiscal year ending September 30,  
6 2016.

7 Sec. 1802. From the funds appropriated in part 1, a lump-sum  
8 payment shall be made to hospitals that qualified for rural  
9 hospital access payments in fiscal year 2013-2014 and that provide  
10 obstetrical care in the current fiscal year. The payment shall be  
11 calculated as \$830.00 for each obstetrical care case payment and  
12 each newborn care case payment for all such cases billed by the  
13 qualified hospitals for fiscal year 2012-2013 and shall be paid  
14 through the Medicaid health plan hospital rate adjustment process  
15 by January 1 of the current fiscal year.

16 Sec. 1804. The department, in cooperation with the department  
17 of military and veterans affairs, shall work with the federal  
18 public assistance reporting information system to identify Medicaid  
19 recipients who are veterans and who may be eligible for federal  
20 veterans health care benefits or other benefits.

21 Sec. 1805. Hospitals receiving medical services payments for  
22 graduate medical education shall submit fully completed quality  
23 data to a nonprofit organization with extensive experience in  
24 collecting and reporting hospital quality data on a public website.  
25 The reporting must utilize consensus-based nationally endorsed  
26 standards that meet National Quality Forum-endorsed safe practices.  
27 The organization collecting the data must be an organization that



1 uses severity-adjusted risk models and measures that will help  
2 patients and payers identify hospital campuses likely to have  
3 superior outcomes. The public website shall provide information to  
4 allow consumers to compare safe practices by hospital campus,  
5 including, but not limited to, perinatal care, hospital-acquired  
6 infection, and serious reportable events. Hospitals receiving  
7 medical services payments for graduate medical education shall also  
8 make their fully completed quality data available on the hospital's  
9 website. The department shall withhold 25% of a hospital's graduate  
10 medical education payment if the hospital does not submit the data  
11 to a qualifying nonprofit organization described in this section by  
12 January 1 of the current fiscal year.

13       Sec. 1806. (1) The department shall monitor the progress of  
14 implementing the Medicaid health plan common formulary. As part of  
15 the monitoring process, by March 1 of the current fiscal year, the  
16 department shall provide a report to the house and senate  
17 appropriations subcommittees on the department budget, the house  
18 and senate fiscal agencies, and the state budget office on the  
19 following:

20       (a) The progress of implementing the Medicaid health plan  
21 common formulary.

22       (b) The participation by the Medicaid health plans in the  
23 Medicaid health plan common formulary.

24       (c) The timeliness of prior authorization approvals or  
25 disapprovals.

26       (d) Any areas of inconsistency across the Medicaid health  
27 plans' implementation of the Medicaid health plan common formulary.

1           (2) The department shall develop policies and procedures to  
2 govern the operations of the Michigan Medicaid health plan common  
3 formulary workgroup to ensure fair and full public participation.  
4 The policies and procedures must include, but not be limited to,  
5 open workgroup meetings, solicitation of public comments during  
6 workgroup meetings, and a 45-day public comment period before any  
7 common formulary changes can be made.

8           Sec. 1809. The department shall establish separate contract  
9 performance standards for Medicaid health plans that adhere to the  
10 requirements of section 105d of the social welfare act, 1939 PA  
11 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation  
12 withhold. The determination of the performance of the 0.75%  
13 capitation withhold is at the discretion of the department but must  
14 include recognized concepts such as 1-year continuous enrollment  
15 and the HEDIS audited data. The determination of the performance of  
16 the 0.25% capitation withhold is at the discretion of the  
17 department but must include the utilization of high-value services  
18 and discouraging the utilization of low-value services.

19           Sec. 1810. The department shall enhance encounter data  
20 reporting processes and develop rules that would make each health  
21 plan's encounter data as complete as possible, provide a fair  
22 measure of acuity for each health plan's enrolled population for  
23 risk adjustment purposes, capitation rate setting, diagnosis-  
24 related group rate setting, and research and analysis of program  
25 efficiencies while minimizing health plan administrative expense.  
26 Before final rate certification, the department shall notify each  
27 contracting Medicaid health plan of any encounter data that have

1 not been accepted for the purposes of rate setting.

2       Sec. 1812. By June 1 of the current fiscal year, and using the  
3 most recent available cost reports, the department shall complete a  
4 report of all direct and indirect costs associated with residency  
5 training programs for each hospital that receives funds  
6 appropriated in part 1 for graduate medical education. The report  
7 shall be submitted to the house and senate appropriations  
8 subcommittees on the department budget, the house and senate fiscal  
9 agencies, and the state budget office.

10       Sec. 1820. (1) In order to avoid duplication of efforts, the  
11 department shall utilize applicable national accreditation review  
12 criteria to determine compliance with corresponding state  
13 requirements for Medicaid health plans that have been reviewed and  
14 accredited by a national accrediting entity for health care  
15 services.

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

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

23       (4) By July 1 of the current fiscal year, the department shall  
24 provide a progress report to the house and senate appropriations  
25 subcommittees on the department budget, the house and senate fiscal  
26 agencies, and the state budget office on implementation of this  
27 section.

1       Sec. 1837. The department shall continue, and expand where  
2 appropriate, utilization of telemedicine and telepsychiatry as  
3 strategies to increase access to services for Medicaid recipients  
4 in medically underserved areas.

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

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

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

13       Sec. 1850. The department may allow Medicaid health plans to  
14 assist with the redetermination process through outreach activities  
15 to ensure continuation of Medicaid eligibility and enrollment in  
16 managed care. This may include mailings, telephone contact, or  
17 face-to-face contact with beneficiaries enrolled in the individual  
18 Medicaid health plan. Health plans may offer assistance in  
19 completing paperwork for beneficiaries enrolled in their plan.

20       Sec. 1851. From the funds appropriated in part 1 for adult  
21 home help services, the department shall allocate \$150,000.00 state  
22 general fund/general purpose revenue plus any associated federal  
23 match to develop and deploy a mobile electronic visit verification  
24 solution that shall include biometric identity verification to  
25 create administrative efficiencies, reduce error, and minimize  
26 fraud. The development of the solution shall be predicated on input  
27 from the results of the 2017 stakeholder survey.

1       Sec. 1853. As the department achieves compliance with CMS  
2 home- and community-based services (HCBS) final rule, the  
3 department shall do all of the following:

4       (a) By January 1 of the current fiscal year, provide the  
5 senate and house appropriations subcommittees on the department  
6 budget, the senate and house fiscal agencies, and the state budget  
7 office the department's compliance guidelines and plan to ensure  
8 fidelity with the rule's intent that HCBS beneficiaries have the  
9 opportunity to receive services in a manner that protects  
10 individual choice and promotes community integration.

11       (b) Before final implementation of the rule, the department  
12 shall submit to the senate and house appropriations subcommittees  
13 on the department budget, the senate and house fiscal agencies, and  
14 the state budget office a report detailing the potential fiscal  
15 impact related to HCBS compliance.

16       (c) Before final implementation of the rule, the department  
17 shall solicit public comment on the impact of HCBS compliance,  
18 including, but not limited to, a public forum, and submit the  
19 public comments to the senate and house appropriations  
20 subcommittees on the department budget, the senate and house fiscal  
21 agencies, and the state budget office.

22       Sec. 1855. From the funds appropriated in part 1 for program  
23 of all-inclusive care for the elderly (PACE), to the extent that  
24 funding is available in the PACE line item and unused program slots  
25 are available, the department may do the following:

26       (a) Increase the number of slots for an already-established  
27 local PACE program if the local PACE program has provided

1 appropriate documentation to the department indicating its ability  
2 to expand capacity to provide services to additional PACE clients.

3 (b) Suspend the 10 member per month individual PACE program  
4 enrollment increase cap in order to allow unused and unobligated  
5 slots to be allocated to address unmet demand for PACE services.

6 Sec. 1856. (1) The funds appropriated in part 1 for hospice  
7 services shall be expended to provide room and board for Medicaid  
8 recipients who meet hospice eligibility requirements and receive  
9 services at Medicaid enrolled hospice residences in this state. The  
10 qualifying hospice residences must have been enrolled with Medicaid  
11 by October 1, 2014.

12 (2) By September 15 of the current fiscal year, qualifying  
13 hospice residences receiving funds under this section shall submit  
14 to the department, the senate and house appropriations  
15 subcommittees on the department budget, the senate and house fiscal  
16 agencies, and the state budget office a report that includes, but  
17 is not limited to, all of the following:

18 (a) The number of patients served.

19 (b) The number of days served.

20 (c) The total cost of services provided.

21 (d) The per patient cost of services provided.

22 (e) The number of patients who did not receive care.

23 (3) At the end of the current fiscal year, any unexpended  
24 funds shall lapse back to the general fund.

25 Sec. 1857. By July 1 of the current fiscal year, the  
26 department shall explore the implementation of a managed care long-  
27 term support service.

1       Sec. 1858. By April 1 of the current fiscal year, the  
2 department shall report to the senate and house subcommittees on  
3 the department budget and the senate and house fiscal agencies on  
4 all of the following elements related to the current Medicaid  
5 pharmacy carve-out of pharmaceutical products as provided for in  
6 section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

7       (a) The number of prescriptions paid by the department during  
8 the previous fiscal year and for the fiscal year ending September  
9 30, 2016.

10       (b) The total amount of expenditures for prescriptions paid by  
11 the department during the previous fiscal year and for the fiscal  
12 year ending September 30, 2016.

13       (c) The total amount of rebates provided by the pharmaceutical  
14 manufacturer for prescriptions paid by the department during the  
15 previous fiscal year and for the fiscal year ending September 30,  
16 2016.

17       (d) The number of and total expenditures for prescriptions  
18 paid for by the department for generic equivalents during the  
19 previous fiscal year and for the fiscal year ending September 30,  
20 2016.

21       Sec. 1859. The department shall partner with the Michigan  
22 Association of Health Plans (MAHP) and Medicaid health plans to  
23 develop and implement strategies for the use of information  
24 technology services for Medicaid research activities. The  
25 department shall make available state medical assistance program  
26 data, including Medicaid behavioral data, without charge, to MAHP  
27 and Medicaid health plans or any vendor considered qualified by the

1 department for the purpose of research activities consistent with  
2 this state's goals of improving health; increasing the quality,  
3 reliability, availability, and continuity of care; and reducing the  
4 cost of care for the eligible population of Medicaid recipients.

5       Sec. 1860. By March 1 of the current fiscal year, the  
6 department shall provide a report to the senate and house  
7 appropriations subcommittees, the senate and house fiscal agencies,  
8 and the state budget office on uncollected co-pays and deductibles  
9 in the Healthy Michigan plan. The report shall include information  
10 on the number of participants who have not paid their co-pays and  
11 deductibles, the total amount of uncollected co-pays and  
12 deductibles, and steps taken by the department and health plans to  
13 ensure greater collection of co-pays and deductibles.

14       Sec. 1861. From the funds appropriated in part 1 for  
15 transportation, the department shall increase the number of  
16 counties in which a local public transportation entity is the  
17 primary administrator of the Medicaid nonemergency transportation  
18 benefit. The purpose of this expansion is to improve Medicaid  
19 beneficiary access to care, reduce the number of missed physician  
20 appointments by Medicaid beneficiaries, and reduce time spent by  
21 caseworkers facilitating nonemergency transportation for Medicaid  
22 beneficiaries. Performance goals include an increase in utilization  
23 of local public transportation, a reduction in the rate of trips  
24 reported as missed to no more than 0.5%, and the successful  
25 collection of data on program utilization, access, and beneficiary  
26 satisfaction.

27       Sec. 1862. From the funds appropriated in part 1, the



1 department shall maintain payment rates for Medicaid obstetrical  
2 services at 95% of Medicare levels effective October 1, 2014.

3 Sec. 1866. (1) From the funds appropriated in part 1 for  
4 hospital services and therapy and health plan services,  
5 \$12,000,000.00 in general fund/general purpose revenue and any  
6 associated federal match shall be awarded to hospitals that meet  
7 criteria established by the department for services to low-income  
8 rural residents. One of the reimbursement components of the  
9 distribution formula shall be assistance with labor and delivery  
10 services.

11 (2) No hospital or hospital system shall receive more than  
12 10.0% of the total funding referenced in subsection (1).

13 (3) To allow hospitals to understand their rural payment  
14 amounts under this section, the department shall provide hospitals  
15 with the methodology for distribution under this section and  
16 provide each hospital with its applicable data that are used to  
17 determine the payment amounts by August 1 of the current fiscal  
18 year. The department shall publish the distribution of payments for  
19 the current fiscal year and the immediately preceding fiscal year.

20 Sec. 1867. (1) The department shall convene a workgroup that  
21 includes psychiatrists, other relevant prescribers, and pharmacists  
22 to identify best practices and to develop a protocol for  
23 psychotropic medications. Any changes proposed by the workgroup  
24 shall protect a Medicaid beneficiary's current psychotropic  
25 pharmaceutical treatment regimen by not requiring a physician  
26 currently prescribing any treatment to alter or adjust that  
27 treatment.

1           (2) By March 1 of the current fiscal year, the department  
2 shall provide the workgroup's recommendations to the senate and  
3 house appropriations subcommittees on the department budget, the  
4 senate and house fiscal agencies, and the state budget office.

5           Sec. 1870. The department shall continue to work with the  
6 MiDocs consortium to explore alternative graduate medical education  
7 financing sources and mechanisms that expand residency  
8 opportunities for primary care training, per approval from CMS. By  
9 December 1 of the current fiscal year, the MiDocs consortium shall  
10 submit a report presenting a comprehensive funding plan to the  
11 senate and house appropriations subcommittees on the department  
12 budget and the senate and house fiscal agencies.

13           Sec. 1873. From the funds appropriated in part 1 for long-term  
14 care services, the department may allocate up to \$3,700,000.00 for  
15 the purpose of outreach and education to nursing home residents and  
16 the coordination of housing in order to move out of the facility.  
17 In addition, any funds appropriated shall be used for other quality  
18 improvement activities of the program. The department shall  
19 consider working with the Area Agencies on Aging Association of  
20 Michigan, the non-Area Agencies on Aging waivers, and the  
21 Disability Network/Michigan to develop a plan for the ongoing  
22 sustainability of the nursing facility transition initiative.

23           Sec. 1874. The department shall ensure, in counties where  
24 program of all-inclusive care for the elderly or PACE services are  
25 available, that the program of all-inclusive care for the elderly  
26 (PACE) is included as an option in all options counseling and  
27 enrollment brokering for aging services and managed care programs,

1 including, but not limited to, Area Agencies on Aging, centers for  
2 independent living, and the MiChoice home and community-based  
3 waiver. Such options counseling must include approved marketing and  
4 discussion materials.

5       Sec. 1875. (1) The department and its contractual agents may  
6 not subject Medicaid prescriptions to prior authorization  
7 procedures during the current fiscal year if that drug is carved  
8 out or is not subject to prior authorization procedures as of May  
9 9, 2016, and is generally recognized in a standard medical  
10 reference or the American Psychiatric Association's Diagnostic and  
11 Statistical Manual for the Treatment of a Psychiatric Disorder.

12       (2) The department and its contractual agents may not subject  
13 Medicaid prescriptions to prior authorization procedures during the  
14 current fiscal year if that drug is carved out or is not subject to  
15 prior authorization procedures as of May 9, 2016 and is a  
16 prescription drug that is generally recognized in a standard  
17 medical reference for the treatment of epilepsy or seizure disorder  
18 or organ replacement therapy.

19       (3) As used in this section, "prior authorization" means a  
20 process implemented by the department or its contractual agents  
21 that conditions, delays, or denies delivery or particular pharmacy  
22 services to Medicaid beneficiaries upon application of  
23 predetermined criteria by the department or its contractual agents  
24 to those pharmacy services. The process of prior authorization  
25 often requires that a prescriber do 1 or both of the following:

26       (a) Obtain preapproval from the department or its contractual  
27 agents before prescribing a given drug.

1 (b) Verify to the department or its contractual agents that  
2 the use of a drug prescribed for an individual meets predetermined  
3 criteria from the department or its contractual agents for a  
4 prescription drug that is otherwise available under the Medicaid  
5 program in this state.

6 Sec. 1876. (1) From the funds appropriated in part 1 for  
7 Healthy Michigan plan, the department shall allocate up to  
8 \$830,000.00 to facilitate the development and implementation of a  
9 demonstration project in cooperation with 1 or more contracting  
10 Medicaid health plans. These provisions shall be part of the  
11 protocol for implementation of incentives under the Healthy  
12 Michigan plan and must do all of the following:

13 (a) Target Healthy Michigan plan health plan enrollees who are  
14 above 100% of the federal poverty level, in at least 2 prosperity  
15 regions.

16 (b) Implement a web-based technology that links providers,  
17 beneficiaries, and health plans, in real-time, for the purpose of  
18 addressing deficiency in medical literacy and demonstrating that  
19 personal responsibility is enhanced by technology.

20 (c) Identify specific behavioral changes that will result as  
21 indicated by changes in measurable health outcomes and health care  
22 utilization.

23 (2) The demonstration project shall be implemented by April 1  
24 of the current fiscal year. Prior to implementation, the department  
25 shall present a summary description to the senate and house  
26 appropriations subcommittees on the department budget and the  
27 senate and house committees on health policy that must include the

1 estimated cost of the demonstration project, identify a shared  
2 savings proposal for Medicaid health plans who participate in the  
3 demonstration project, and identify intended measurable results.

4 (3) It is the intent of the legislature that the demonstration  
5 project shall test the cost containment capabilities of a program  
6 that uses financial incentives to improve health and health care by  
7 promoting health literacy and doctor-patient mutual accountability.  
8 Outcomes and performance measures for this initiative shall  
9 include, but are not limited to, the following:

10 (a) The total annual per capita or per-member-per-year health  
11 care expenditures. This metric shall be derived by dividing the  
12 total annual health care expenditures of a population by the  
13 average annual number of people in that population. Claims data  
14 shall be used to compute health care expenditures.

15 (b) The per-member-per-year health care expenditures of a  
16 reasonably matched population not covered by the demonstration  
17 project. To account for minor differences in the 2 populations,  
18 each group's annual trend during the pilot shall be measured  
19 against their respective baseline trends in the year before  
20 implementing the program.

21 (c) In order to attribute the finding to the program, other  
22 process metrics that have been found to correlate with health  
23 literacy must be analyzed. These metrics may include  
24 hospitalization rates, frequency of emergency room use, and the  
25 percentage of health education sessions prescribed by medical  
26 providers and successfully completed by patients relative to the  
27 total number of possible session opportunities offered through the

1 program.

2 (4) It is the intent of the legislature that, beginning with  
3 the budget for the fiscal year ending September 30, 2018, the  
4 department shall submit quarterly reports to the senate and house  
5 appropriations committees on the department budget, the senate and  
6 house fiscal agencies, the senate and house policy offices, and the  
7 state budget office detailing the information required in  
8 subsection (3).

9 Sec. 1877. By March 1 of the current fiscal year, the  
10 department shall evaluate and provide a report to the house and  
11 senate appropriations subcommittees on the department budget on how  
12 the Healthy Michigan plan has contributed to assisting individuals  
13 in utilizing high-value services, minimized the use of low-value  
14 services, and how individuals' lives may be improving as a result  
15 of their access to services provided through the Healthy Michigan  
16 plan.

17 Sec. 1878. By March 1 of the current fiscal year, the  
18 department shall provide a report to the senate and house  
19 appropriations subcommittees on the department budget, the senate  
20 and house fiscal agencies, the senate and house policy offices, and  
21 the state budget office on hepatitis C tracking data. At a minimum,  
22 the report shall include information on the following for  
23 individuals treated with Harvoni or any other treatment used to  
24 cure hepatitis C during the current fiscal year or a previous  
25 fiscal year:

26 (a) The total number of people treated broken down by those  
27 treated through traditional Medicaid and those treated through the

1 Healthy Michigan plan.

2 (b) The total cost of treatment.

3 (c) The total cost of treatment broken down by those treated  
4 through traditional Medicaid and those treated through the Healthy  
5 Michigan plan.

6 (d) The cure rate broken down by Metavir Score, genotype,  
7 Medicaid match rate, and drug used during treatment.

8 (e) The reinfection rate broken down by Metavir Score,  
9 genotype, Medicaid match rate, and drug used during treatment.

10 Sec. 1882. By December 31 of the current fiscal year, the  
11 department shall report to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, and the state budget office, documentation of the  
14 expenses incurred during the immediate preceding fiscal year by  
15 Medicaid health plans and PIHPs for the purpose of meeting the  
16 contractual requirements to join the Michigan Health Information  
17 Network Shared Services and incentivizing providers to become  
18 members of the Health Information Exchange Qualified Organization.  
19 The report should also include an estimation of the expenses to be  
20 incurred in the current fiscal year by Medicaid health plans and  
21 PIHPs for the same purpose of meeting their contractual  
22 obligations.

23 Sec. 1888. The department shall establish contract performance  
24 standards associated with the capitation withhold provisions for  
25 Medicaid health plans at least 3 months in advance of the  
26 implementation of those standards. The determination of whether  
27 performance standards have been met shall be based primarily on

1 recognized concepts such as 1-year continuous enrollment and the  
2 healthcare effectiveness data and information set, HEDIS, audited  
3 data.

4 Sec. 1893. For the purposes of the request for proposal for  
5 the Healthy Kids Dental program, a vendor, upon being awarded the  
6 contract, must pass a readiness review not less than 60 days before  
7 the effective date of the contract. Additionally, the request for  
8 proposal shall not require respondents to submit contracts, letters  
9 of intent, or letters of application during the request for  
10 proposal process.

11 Sec. 1894. (1) By July 1 of the current fiscal year, the  
12 department shall provide a report to the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, and the state budget office on outcomes  
15 and performance measures of the Healthy Kids Dental program.

16 (2) Outcomes and performance measures for the Healthy Kids  
17 Dental program include, but are not limited to, the following:

18 (a) The number of children enrolled in the Healthy Kids Dental  
19 program who visited the dentist during the previous fiscal year.

20 (b) The number of dentists who will accept payment from the  
21 Healthy Kids Dental program.

22 (c) The annual change in dental utilization of children  
23 enrolled in the Healthy Kids Dental program.

#### 24 **INFORMATION TECHNOLOGY**

25 Sec. 1901. (1) By December 1 of the current fiscal year, the  
26 department shall report to the senate and house appropriations



1 subcommittees on the department budget, the senate and house fiscal  
2 agencies, the senate and house policy offices, and the state budget  
3 office all of the following information:

4 (a) The process used to define requests for proposals for each  
5 expansion of information technology projects, including timelines,  
6 project milestones, and intended outcomes.

7 (b) If the department decides not to contract the services out  
8 to design and implement each element of the information technology  
9 expansion, the department shall submit its own project plan that  
10 includes, at a minimum, the requirements in subdivision (a).

11 (c) A recommended project management plan with milestones and  
12 time frames.

13 (d) The proposed benefits from implementing the information  
14 technology expansion, including customer service improvement, form  
15 reductions, potential time savings, caseload reduction, and return  
16 on investment.

17 (2) Once an award for an expansion of information technology  
18 is made, the department shall report to the senate and house  
19 appropriations subcommittees on the department budget, the senate  
20 and house fiscal agencies, the senate and house policy offices, and  
21 the state budget office a projected cost of the expansion broken  
22 down by use and type of expense.

23 Sec. 1902. From the funds appropriated in part 1 for the  
24 Michigan Medicaid information system (MMIS) line item, private  
25 revenue may be received from and allocated for other states  
26 interested in participating as part of the broader MMIS initiative.  
27 By March 1 of the current fiscal year, the department shall provide

1 a report on the use of MMIS by other states for the previous fiscal  
2 year, including a list of states, type of use, and revenue and  
3 expenditures related to the agreements with the other states to use  
4 the MMIS. The report shall be provided to the house and senate  
5 appropriations subcommittees on the department budget, the house  
6 and senate fiscal agencies, and the state budget office.

7 Sec. 1903. (1) The department shall report to the senate and  
8 house appropriations subcommittees on the department budget, the  
9 senate and house fiscal agencies, the senate and house policy  
10 offices, and the state budget office by November 1 of the current  
11 fiscal year an implementation plan regarding the appropriation in  
12 part 1 to implement the MiSACWIS. The plan shall include, but not  
13 be limited to, efforts to bring the system in compliance with the  
14 settlement and other federal guidelines set forth by the United  
15 States Department of Health and Human Services Administration for  
16 Children and Families.

17 (2) The department shall report to the senate and house  
18 appropriations subcommittees on the department budget, the senate  
19 and house fiscal agencies, the senate and house policy offices, and  
20 the state budget office by November 1 of the current fiscal year a  
21 status report on the planning, implementation, and operation,  
22 regardless of the current operational status, regarding the  
23 appropriation in part 1 to implement the MiSACWIS. The report shall  
24 provide details on the planning, implementation, and operation of  
25 the system, including, but not limited to, all of the following:

26 (a) Areas where implementation went as planned.

27 (b) The number of known issues.

1 (c) The average number of help tickets submitted per day.

2 (d) Any additional overtime or other staffing costs to address  
3 known issues and volume of help tickets.

4 (e) Any contract revisions to address known issues and volume  
5 of help tickets.

6 (f) Other strategies undertaken to improve implementation.

7 (g) Progress developing cross-system trusted data exchange  
8 with MiSACWIS.

9 (h) Progress in moving away from a statewide/tribal automated  
10 child welfare information system (SACWIS/TACWIS) to a comprehensive  
11 child welfare information system (CCWIS).

12 (i) Progress developing and implementing a program to monitor  
13 data quality.

14 (j) Progress developing and implementing custom integrated  
15 systems for private agencies and tribal governments.

16 Sec. 1904. From the funds appropriated in part 1 for  
17 information technology services and projects, by December 1 of the  
18 current fiscal year, the department shall make the appropriate  
19 information technology modifications to MiSACWIS so that partial  
20 child care fund reimbursements to counties for undisputed charges  
21 shall be made within 15 business days of the receipt of the  
22 required forms and documentation. The department shall notify a  
23 county within 15 business days of a disputed reimbursement request.  
24 The department shall reimburse for corrected charges within 15  
25 business days of a properly corrected submission by the county.

26 **ONE-TIME BASIS ONLY APPROPRIATIONS**

1       Sec. 1905. From the funds appropriated in part 1 for the  
2 drinking water declaration of emergency, the department shall  
3 allocate funds to address needs in a city in which a declaration of  
4 emergency was issued because of drinking water contamination. These  
5 funds may support, but are not limited to, the following  
6 activities:

7       (a) Nutrition assistance, nutritional and community education,  
8 food bank resources, and food inspections.

9       (b) Epidemiological analysis and case management of  
10 individuals at risk of elevated blood lead levels.

11       (c) Support for child and adolescent health centers,  
12 children's healthcare access program, and pathways to potential  
13 programming.

14       (d) Nursing services, breastfeeding education, evidence-based  
15 home visiting programs, intensive services, and outreach for  
16 children exposed to lead coordinated through local community mental  
17 health organizations.

18       (e) Department field operations costs.

19       (f) Lead poisoning surveillance, treatment, and abatement.

20       (g) Nutritional incentives provided to local residents through  
21 the Double Up Food Bucks Expansion Program.

22       (h) Genesee County health department food inspectors to  
23 perform water testing at local food service establishments.

24       Sec. 1906. (1) From the funds appropriated in part 1 for  
25 university autism programs, the department shall continue a grant  
26 process for autism programs. These grants are intended to increase  
27 the number of applied behavioral analysts, increase the number of

1 autism diagnostic services provided, or increase employment of  
2 individuals who are diagnosed with autism spectrum disorder.

3 (2) As a condition of accepting the grants described in  
4 subsection (1), each university shall track and report back to the  
5 department where the individuals who have completed the applied  
6 behavioral analysis training are initially employed and the  
7 location of the initial employment.

8 (3) Outcomes and performance measures related to this  
9 initiative include, but are not limited to, the following:

10 (a) An increase in applied behavioral analysts certified from  
11 university autism programs.

12 (b) The number of autism diagnostic services provided.

13 (c) The employment rate of employment program participants.

14 (d) The employment rate of applied behavioral analysts trained  
15 through the university autism programs.

16 Sec. 1907. From the funds appropriated in part 1 for child  
17 lead poisoning elimination board, the department shall implement  
18 recommendations of the board offered in the board's report of  
19 November 2016. The recommendations implemented by the department  
20 under this section shall be based in science and best practices,  
21 and the department shall give priority to the implementation of the  
22 recommendations that are most in agreement with recommendations of  
23 nationally recognized organizations and authorities.

24 Sec. 1908. From the funds appropriated in part 1 for prenatal  
25 diagnosis clearinghouse website, the department shall allocate  
26 \$150,000.00 to develop or contract to develop a website providing  
27 information regarding prenataally diagnosed conditions consistent

1 with the requirements in section 21418 of the public health code,  
2 1978 PA 368, MCL 333.21418.

3 Sec. 1910. From the funds appropriated in part 1 for food  
4 pantry grant, the department shall allocate \$100,000.00 to a  
5 nonprofit corporation organized under the laws of this state that  
6 is exempt from federal income tax under section 501(c)(3) of the  
7 internal revenue code of 1986, 26 USC 501, and that operates a food  
8 pantry located in a township with a population between 71,700 and  
9 71,800 according to the most recent decennial census.

10 Sec. 1911. From the funds appropriated in part 1 for Special  
11 Olympics Michigan, the department shall allocate \$100,000.00 to  
12 Special Olympics Michigan to operate its Healthy Athletes  
13 initiative. This initiative must create community networks to  
14 support physical activity and healthy food choices for athletes and  
15 their families across the state.

16 Sec. 1913. (1) The department shall apply to CMS for a waiver  
17 to allow the department to bill CMS for direct primary care  
18 services for Medicaid enrollees. After the department receives a  
19 response from CMS regarding the waiver, the department shall do 1  
20 of the following:

21 (a) If CMS approves the waiver, from the funds appropriated in  
22 part 1 for direct primary care pilot program, the department shall  
23 expend \$710,000.00 general fund/general purpose plus associated  
24 federal match for this program as part of a work project.

25 (b) If CMS does not approve the waiver, from the funds  
26 appropriated in part 1 for direct primary care pilot program, the  
27 department shall expend \$864,000.00 general fund/general purpose to

1 fund a direct primary care pilot program as part of a work project.

2 (2) If the waiver in subsection (1) is approved, the  
3 department shall implement a direct primary care pilot program for  
4 Medicaid enrollees in Wayne, Oakland, Kent, Genesee, and Livingston  
5 Counties that shall run from October 1, 2017 to September 30, 2018.  
6 The pilot program shall include 400 enrollees from each of the  
7 following Medicaid eligibility categories:

8 (a) Childless adults.

9 (b) Children ages 0 to 6 years.

10 (c) Children ages 7 to 18 years.

11 (d) Parents.

12 (e) Elderly individuals.

13 (f) Disabled individuals.

14 (3) If the waiver in subsection (1) is not approved, the  
15 department shall implement a direct primary care pilot program for  
16 Medicaid enrollees in Wayne, Oakland, Kent, Genesee, and Livingston  
17 Counties that shall run from October 1, 2017 to September 30, 2018.  
18 The pilot program shall include 400 enrollees from each of the  
19 following Medicaid eligibility categories:

20 (a) Childless adults.

21 (b) Children ages 0 to 18 years.

22 (c) Parents.

23 (4) For the purposes of the pilot program, each enrollee shall  
24 be enrolled in a single, eligible direct primary care service  
25 provider plan. The department shall maintain and publicly share a  
26 list of eligible direct primary care service providers with  
27 potential pilot program enrollees.

1           (5) An eligible direct primary care service provider must meet  
2 the following requirements:

3           (a) The direct primary care service provider must be a  
4 licensed physician in a primary care specialty.

5           (b) If the waiver in subsection (1) is approved, the monthly  
6 direct primary care enrollment fee shall not exceed a weighted  
7 average of \$70.00 per month across all eligibility categories. The  
8 average shall be weighted by the population makeup of the pilot  
9 program. If the waiver in subsection (1) is not approved, the  
10 monthly direct primary care enrollment fee shall not exceed a  
11 weighted average of \$60.00 per month across all eligibility  
12 categories. The average shall be weighted by the population makeup  
13 of the pilot program.

14           (c) The direct primary care service provider will be  
15 contracted with the department and must not accept any other third-  
16 party payments for providing health care services to enrollees  
17 under this pilot program.

18           (d) The direct primary care service provider must only provide  
19 primary care services.

20           (e) The direct primary care service provider's services must  
21 include, but are not limited to, access to telemedicine and same or  
22 next business day appointments.

23           (6) Managed care organizations contracted by this state to  
24 provide Medicaid services within the county where a direct primary  
25 care pilot program enrollee lives shall authorize direct primary  
26 care service providers participating in the pilot program to serve  
27 as "gateway" service providers who are able to refer pilot



1 enrollees to non-primary care services within the managed care  
2 organization's provider network. The managed care provider is not  
3 liable for increased costs resulting from the implementation of the  
4 pilot program. The direct primary care service providers must do  
5 all of the following:

6 (a) Only refer pilot program enrollees to non-primary care  
7 service providers within the managed care organization's provider  
8 network.

9 (b) For pharmacy services not covered in the direct primary  
10 care services agreement, only authorize the use of pharmaceuticals  
11 covered under the managed care organization's formulary management  
12 system.

13 (c) Follow all prior authorization requirements mandated by  
14 the managed care organization.

15 (7) The department shall have access to the patient records of  
16 each enrollee in the pilot program for the sole purpose of  
17 aggregate data collection.

18 (8) On a quarterly basis, the department shall report to the  
19 senate and house appropriations subcommittees on the department  
20 budget, the senate and house fiscal agencies, the senate and house  
21 policy offices, and the state budget office on the implementation  
22 of the direct primary care pilot program. The report shall include,  
23 but is not limited to, the following performance metrics:

24 (a) The number of enrollees in the pilot program by  
25 eligibility category.

26 (b) The per-member-per-month rate paid in the previous fiscal  
27 year per eligibility category.

1 (c) The number of claims paid in the previous fiscal year per  
2 eligibility category.

3 (d) The number of claims per category weighted to reflect 400  
4 enrollees.

5 (e) The dollar value of all claims per eligibility category.

6 (f) The per-member-per-month actual cost. As used in this  
7 subdivision, "per-member-per-month actual cost" means the direct  
8 primary care plan costs and any managed care costs not covered  
9 through the direct primary care plan, including managed care  
10 provider overhead costs.

11 (g) The average direct primary care cost per enrollee per  
12 eligibility category.

13 (h) The average number of actual claims per eligibility  
14 category.

15 (i) The average actual dollar value of claims per eligibility  
16 category.

17 (j) The number of enrollees in the pilot program during the  
18 previous quarter who are no longer eligible for Medicaid in the  
19 current quarter, broken down by eligibility category.

20 (k) The category savings subtotal. As used in this  
21 subdivision, "category savings subtotal" means the per-member-per-  
22 month rate paid in fiscal year 2016-2017 minus the per-member-per-  
23 month actual cost, times the number of enrollees in the eligibility  
24 category.

25 (l) The total savings. As used in this subdivision, "total  
26 savings" means the per-member-per-month rate paid in the previous  
27 fiscal year minus the per-member-per-month actual cost, times the

1 total number of enrollees in the program.

2 (9) Unexpended and unencumbered funds up to a maximum of  
3 \$2,016,000.00 general fund/general purpose revenue plus any  
4 associated federal match remaining in accounts appropriated in part  
5 1 for direct primary care pilot program are designated as work  
6 project appropriations, and any unencumbered or unallotted funds  
7 shall not lapse at the end of the fiscal year and shall be  
8 available for expenditures for the direct primary care pilot  
9 program for Medicaid enrollees in Wayne, Oakland, and Livingston  
10 Counties under this section until the work project has been  
11 completed. All of the following are in compliance with section  
12 451a(1) of the management and budget act, 1984 PA 431, MCL  
13 18.1451a:

14 (a) The purpose of the work project is to fund the cost of a  
15 direct primary care pilot program as provided by this section.

16 (b) The work project will be accomplished by contracting with  
17 a managed care organization under contract with the department to  
18 provide Medicaid services.

19 (c) The total estimated completion cost of the work project is  
20 \$6,048,000.00.

21 (d) The tentative completion date is September 30, 2020.

22 (10) The department may take out a stop loss policy to  
23 mitigate the potential cost impact if pilot program per member per  
24 month costs exceed per member per month costs for the program the  
25 enrollee would have been in had they not participated in the pilot  
26 program. The cost of the stop loss plan shall not be used in the  
27 assessment of the success of the pilot program.

1       Sec. 1914. From the funds appropriated in part 1 for primary  
2   care and dental health services, \$300,000.00 shall be allocated for  
3   primary care clinic and dental health clinic services for indigent  
4   individuals to be provided in clinic locations in the city of  
5   Detroit and Wayne County by a public nonprofit organization that is  
6   pursuing certification as a federally qualified health center and  
7   is expected to be certified within 2 years.

8       Sec. 1915. From the funds appropriated in part 1 for primary  
9   care hospital grant, the department shall make a one-time grant of  
10  \$850,000.00 to support primary care services provided by a hospital  
11  that qualifies for rural hospital access payments and is located in  
12  a county with a population between 130,000 and 140,000 according to  
13  the most recent decennial census.

14      Sec. 1916. From the funds appropriated in part 1 for refugee  
15  assistance grant, the department shall allocate \$150,000.00 to a  
16  nonprofit corporation organized under the laws of this state that  
17  is exempt from federal income tax under section 501(c)(3) of the  
18  internal revenue code of 1986, 26 USC 501, to operate an initiative  
19  to transition low-income refugee families to self-sufficiency. To  
20  be eligible to receive funding, the organization must have a stated  
21  core purpose of providing programs that guide, support, and empower  
22  individuals to achieve self-sufficiency with dignity and hope. This  
23  initiative must utilize a measurable, evidence-based approach that  
24  integrates treatment for poverty across health care, human  
25  services, educational, faith-based, and governmental programs. The  
26  organization receiving funds under this section must report to the  
27  department by September 30 of the current fiscal year on metrics

1 used to measure the success and viability of the initiative.

2 PART 2A  
3 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
4 FOR FISCAL YEAR 2018-2019

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, 2019 for  
8 the line items listed in part 1. The fiscal year 2018-2019  
9 appropriations are anticipated to be the same as those for fiscal  
10 year 2017-2018, 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 2018 consensus revenue estimating  
14 conference.