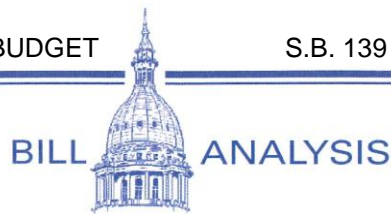




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Senate Bill 139 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

| FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2018-19 YEAR-TO-DATE* | FY 2019-20 SENATE SUB COMM. | CHANGES FROM FY 2018-19 YEAR-TO-DATE | |
|--|-----------------------------|--------------------------------|---|------------|
| | | | AMOUNT | PERCENT |
| FTE Positions | 15,936.7 | 15,972.0 | 35.3 | 0.2 |
| GROSS | 25,502,246,400 | 26,130,337,900 | 628,091,500 | 2.5 |
| Less: | | | | |
| Interdepartmental Grants Received | 13,813,700 | 13,857,600 | 43,900 | 0.3 |
| ADJUSTED GROSS | 25,488,432,700 | 26,116,480,300 | 628,047,600 | 2.5 |
| Less: | | | | |
| Federal Funds | 18,016,041,200 | 18,228,737,500 | 212,696,300 | 1.2 |
| Local and Private | 274,022,500 | 276,517,000 | 2,494,500 | 0.9 |
| TOTAL STATE SPENDING | 7,198,369,000 | 7,611,225,800 | 412,856,800 | 5.7 |
| Less: | | | | |
| Other State Restricted Funds | 2,758,754,600 | 2,865,883,800 | 107,129,200 | 3.9 |
| GENERAL FUND/GENERAL PURPOSE | 4,439,614,400 | 4,745,342,000 | 305,727,600 | 6.9 |
| PAYMENTS TO LOCALS | 1,486,146,300 | 1,551,936,700 | 65,790,400 | 4.4 |

*As of March 5, 2019.

| | Gross | GF/GP |
|--|-------------------------|------------------------|
| FY 2018-19 Year-to-Date Appropriation | \$25,502,246,400 | \$4,439,614,400 |

Changes from FY 2018-19 Year-to-Date:

| | | |
|--|---------------|--------------|
| 1. Medicaid and Related Match Rates. Traditional Medicaid match dropped to 64.06%, SCHIP match to 86.34%, expansion match to 90.0% effective January 1, 2020. There was also a \$10.0 million decrease in Medicaid Benefits Trust Fund revenue. | 0 | 149,474,800 |
| 2. Changes in Federal Authorization. Senate reflected a net increase in Federal funds, largely crime victims and substance abuse funding. | 81,980,700 | 0 |
| 3. Medicaid Actuarial Soundness Adjustments. Senate included 2.75% for behavioral health, 2.0% for physical health, 3.0% for autism, and decreased funding for PACE. | 204,870,500 | 59,521,300 |
| 4. Special Financing/Quality Assurance Assessment Programs Adjustments. Senate reflected increases in special payments to hospitals, nursing homes, and physicians, with increased State retainer savings. | 282,341,400 | (12,627,700) |
| 5. Food Assistance Program (FAP) Base and Caseload. Senate reflected a continued decline in the FAP caseload. | (170,911,300) | 0 |
| 6. Child Welfare Services Base and Caseload. Senate reflected increases for foster care and Child Care Fund and a decrease for adoption subsidies. | 3,702,200 | 2,558,100 |
| 7. Public Assistance Caseloads. Senate reflected minor reductions for Family Independence Program and other public assistance programs. | (12,122,100) | (2,848,400) |

| | | |
|---|-------------------------|------------------------|
| 8. Traditional Medicaid Base and Caseload. Senate included increased funding to reflect growth in Medicaid costs for physical and behavioral health. | 123,770,500 | 50,402,000 |
| 9. Program Increases. Senate included funding for local public health, forensic center staff (12.0 FTEs), minimum wage increases for Adult Home Help, and an anticipated increase in eligible population for Medicare Premium Payments. | 77,997,000 | 33,142,200 |
| 10. Program Reductions. Senate included a cut to hospice room and board funding, autism cost containment, and a reduction to the pharmacy administrative component of HMO rates. The budget also included assumed savings from expanded inspector general efforts to reduce inaccurate payments made by managed care entities. | (93,441,800) | (23,525,600) |
| 11. Insurance Provider Assessment (IPA) Adjustments. Senate reflected updated estimate of the impact of the new IPA. | (49,289,700) | (2,986,600) |
| 12. Healthy Michigan Plan (HMP) Work Engagement Legislation. Senate included \$36.2 million Gross, \$23.1 million GF/GP to implement the legislation and assumed savings of \$50.0 million Gross, \$5.0 million GF/GP from caseload reduction. | (13,784,600) | 18,107,700 |
| 13. Removal of FY 2018-19 One-Time Appropriations. Senate reflected removal of one-time appropriations. | (57,820,100) | (39,237,100) |
| 14. FY 2019-20 One-Time Appropriations. Senate included a number of one-time items, including \$180.5 million Gross and \$50.0 million GF/GP to cover HMO costs of the potential reinstatement of the Federal Health Insurer Fee and \$47.0 million to support information technology. | 230,431,800 | 64,701,600 |
| 15. Other Changes. Other changes led to a slight decrease in funding. | (8,442,400) | (10,090,100) |
| 16. Economic Adjustments. Includes \$28,809,400 Gross and \$19,135,400 GF/GP for total economic adjustments, of which an estimated negative \$22,581,200 Gross and \$15,603,400 GF/GP is for legacy retirement costs (pension and retiree health). | 28,809,400 | 19,135,400 |
| 17. Comparison to Governor's Recommendation. The Senate is (\$48,419,600) Gross and (\$34,000,000) GF/GP over/under the Governor. | | |
| Total Changes | \$628,091,500 | \$305,727,600 |
| FY 2019-20 Senate Appropriations Subcommittee Recommendation.... | \$26,130,337,900 | \$4,745,342,000 |

Boilerplate Changes from FY 2018-19 Year-to-Date:

- Deletions.** Senate eliminated the following sections from current year boilerplate: 208, 210, 460, 528, 590, 650, 721, 925, 961, 1146, 1147, 1170, 1183, 1230, 1235, 1507, 1510, 1621, 1866, 1867, 1905, 1907, 1909, 1912, 1913, 1914, 1919, 1921, and 1922.
- Renumbering.** Senate renumbered the following sections from current year boilerplate: 597 moved to 996, 801 moved to 1158, 802 moved to 1152, 803 moved to 1153, 804 moved to 1154, 805 moved to 1155, 806 moved to 1156, 1005 moved to 962, 1010 moved to 963, 1223 moved to 1315, 1224 moved to 1316, 1229 moved to 1317, and 1904 moved to 598.
- Contingency Fund Authorization.** Senate removed current language that appropriated contingency funds in the following amounts: \$400.0M in federal funds, \$45.0M in state restricted funds, \$40.0M in local funds, and \$60.0M in private funds. (Sec. 210)
- Legacy Costs.** Senate modified language to specify legacy costs for FY 2019-2020 to include \$170.3 million for pension-related costs and \$180.0 million for retiree health care costs. (Sec. 214)

5. **Information Technology Expenditures.** Senate included new language to require monthly reports on any non-caseload line that is estimated to spend 5.0% or more over its appropriation. Requires the Department to provide an explanation and identify corrective action. (Sec. 250)
6. **IT Investment Board and Independent Verification Validation.** Senate included new language that directs the department to create a formal structure to make IT investment decisions, create IT investment policy guided by the U.S. Government Accountability Office publication, report to the legislature on steps taken to implement these new policies, and enter an agreement with a vendor who will use independent verification and validation strategies to minimize risk of IT overspending. (Sec. 253)
7. **Behavioral Health Integration Pilots.** Senate revised current language to require the Department to define specific criteria under which the Medicaid Health Plans would be able to contract outside the CMHSP network and included a statement of legislative intent that the Department provide a report by January 31, 2021 on what potential pilot outcomes would trigger a full statewide integration. Language lists the metrics that must be included. (Sec. 298)
8. **Child Support Incentive Payments.** Senate revised amounts assumed for federal child support incentive payments. Amounts were changed to reflect the actual amount received. Amounts were decreased by \$500,000 throughout the section. (Sec. 401)
9. **Medicaid Cash Medical Support Incentive and Program Income.** Senate included new language that directs the department to allocate 100% of the Medicaid cash medical support incentive to counties and to not consider these payments as program income. (Sec. 410)
10. **Homeless Birth Certificates.** Senate included new language that appropriates \$90,000 to allow for the department to reimburse service agencies for birth certificates provided to homeless clients. (Sec. 456)
11. **Child Protective Service Report.** Senate added language that requires the department to report on a summary of actions and expenditures made to comply with the Office of the Auditor General 2018 CPS audit. (Sec. 514)
12. **Family First Preventions Services Act.** Senate added language that directs the department to report on the status of the actual and planned implementation of the federal FFPSA and what steps that the department is taking to implement these new federal requirements. The language also requires the department to estimate the total administrative and compliance costs associated with the implementation (Sec. 536)
13. **Child and Family Services Review (Round 3).** Senate inserted language that requires the department to report on the status of the Program Improvement Plan that is being completed after the federal on-site review from Round 3 of the CFSR. (Sec. 538)
14. **Child Welfare Caseworker Training.** Senate replaced current language with new child-placings agency training language that allows for the agencies to provide in-house pre-service training and to be able to train staff at other private child-placing agencies. (Sec. 558)
15. **Unpaid Cases and Workgroup.** Senate modified current language to allocate \$100.00 to pay for currently unpaid foster care cases, to continue the unpaid cases workgroup to find ways to solve the unpaid case issue, to provide an actuarial study of the rates paid to child placing agencies in every even-numbered year, and to work with the settlement monitor to define caseload ratios in a way that unpaid cases are not included on settlement caseload ratios. (Sec. 573)
16. **Foster Care Taskforce.** Senate added language to allocate \$50,000 towards the operations of a legislatively created task force to improve the foster care system in Michigan. (Sec. 586)
17. **CPS Staff and Private Agency Caseload Ratio.** Senate included new language that directs the department to hire staff in order to comply with the Office of the Auditor General (OAG) 2018 CPS audit and that new foster care cases should be managed by private child-placing agencies to free up staffing capacity at the department to help come into compliance with the OAG 2018 CPS audit. (Sec. 595)
18. **Actuarial Rate Reexamination.** Senate included new language that requires the Department to work with an actuarial firm to reexamine the behavioral health Medicaid rates. (Sec. 908)
19. **Medicaid Autism Benefit Cost Containment Workgroup.** Senate modified language to require that the Department to continue coverage for autism services that were covered on January 1, 2018, specifies cases in which a second opinion is needed, and requires a report on cases requiring a second opinion. (Sec. 959)
20. **Behavioral Health Fee Schedule.** Senate included new language that requires the Department to develop and implement a Medicaid behavioral health fee schedule by January 1 and create network adequacy standards to be used in all contracts. (Sec. 964)

21. **Caro Regional Mental Health Center.** Senate revised language that requires funds appropriated for Caro Regional Mental Health Center only be used to support a psychiatric hospital at Caro to specify that capital outlay funding shall be used for a new or updated facility at the location. (Sec. 1061)
22. **State Psychiatric Hospital Staffing Report.** Senate included new language to require a report on the measures implemented to hire qualified staff, address overtime and turnover, improve retention, the number of direct care and clinical staff positions that are vacant, and the range of wages paid by position by hospital. (Sec. 1062)
23. **Local Health Department Funding Formula.** Senate modified language to require the Department to implement the new distribution funding formula for local public health departments and states that each local public health department will not receive less than was allocated in the previous year. (Sec. 1234)
24. **Prohibition on Use of Funds for Agencies that Provide Abortions.** Senate modified language to prohibit the use of state restricted or state general funds for contract, or subcontract, with organizations that provide elective abortions, abortion counseling, or abortion referrals. (Sec. 1303)
25. **Family Planning and Pregnancy Prevention Fund Prioritization.** Senate modified language to add funding appropriated in the Michigan essential health providers line, essential local public health services line, and the maternal and child health line be prioritized under the provisions of this section. (Sec. 1305)
26. **National Brand Peanut Butter.** Senate modified language to require that the Department include national brand options on the WIC food list for all food categories. (Sec. 1340)
27. **Healthy Michigan Plan Employment and Training Supports.** Senate included new language to appropriate \$10.0 million for Healthy Michigan Plan work engagement employment supports and services, and allow for the hiring of additional field staff workers. Requires a monthly report on program performance metrics and outcomes. (Sec. 1511)
28. **Obstetrical and Newborn Care Lump Sum Payment.** Senate revised language to specify an explicit funding level of \$9.2 million for the OB/GYN Pool. Additionally, the Senate combined the Rural Hospital Funding pool language with this language section and specified an explicit funding level of \$19.8 million. Finally, the Senate added a new subsection to provide placeholder funding for a new critical access hospital payment pool. (Sec. 1802).
29. **Veterans Benefits Eligibility.** Senate revised language to require the Department work with DMVA to identify Medicaid recipients who are Veterans and who may be eligible for Federal veteran's benefits. The language requires the Department to change public assistance application forms to ask whether the applicant had ever served in the military. (Sec. 1804)
30. **Healthy Kids Dental Reporting.** Senate revised language to expand the reporting requirements related to the Healthy Kids Dental Program and to have the reported metrics broken down by dental benefit manager. (Sec. 1894)

Date Completed: 4-25-19

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