

SUBSTITUTE FOR
SENATE BILL NO. 139

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2020; 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, 2020,
5 from the following funds:

6 DEPARTMENT OF HEALTH AND HUMAN SERVICES

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0
9	Full-time equated classified positions.....	15,972.0
10	Average population	770.0

Senate Bill No. 139 as amended May 14, 2019

1	GROSS APPROPRIATION.....	\$ <<26,130,808,300>
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers	13,857,600
5	ADJUSTED GROSS APPROPRIATION.....	\$ <<26,116,950,700>
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families	549,336,500
9	Capped federal revenues.....	571,168,800
10	Total other federal revenues.....	17,108,232,200
11	Special revenue funds:	
12	Total local revenues.....	132,981,900
13	Total private revenues.....	143,535,100
14	Michigan merit award trust fund.....	49,768,700
15	Total other state restricted revenues.....	2,816,115,100
16	State general fund/general purpose.....	\$ <<4,745,812,400>>
17	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
18	Full-time equated unclassified positions..... 6.0	
19	Full-time equated classified positions..... 829.6	
20	Unclassified salaries--6.0 FTE positions.....	\$ 1,223,600
21	Administrative hearings officers.....	11,340,000
22	Demonstration projects--7.0 FTE positions.....	7,358,400
23	Departmental administration and management--601.6	
24	FTE positions	95,382,700
25	Michigan community service commission--14.0 FTE	
26	positions	11,669,300
27	Office of inspector general--207.0 FTE positions	25,961,600

1	Property management.....	71,003,700
2	Terminal leave payments.....	7,302,700
3	Worker's compensation.....	<u>7,532,300</u>
4	GROSS APPROPRIATION.....	\$ 238,774,300
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of education.....	1,943,300
8	IDG from DTMB - office of retirement services.....	600
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families	22,972,900
12	Capped federal revenues.....	31,019,200
13	Total other federal revenues.....	71,809,200
14	Special revenue funds:	
15	Total local revenues.....	86,000
16	Total private revenues.....	3,887,300
17	Total other state restricted revenues.....	1,270,100
18	State general fund/general purpose.....	\$ 105,785,700
19	Sec. 103. CHILD SUPPORT ENFORCEMENT	
20	Full-time equated classified positions.....	185.7
21	Child support enforcement operations--179.7 FTE	
22	positions	\$ 23,471,500
23	Child support incentive payments.....	24,409,600
24	Legal support contracts.....	113,607,100
25	State disbursement unit--6.0 FTE positions.....	<u>8,148,600</u>
26	GROSS APPROPRIATION.....	\$ 169,636,800
27	Appropriated from:	

1	Federal revenues:	
2	Total other federal revenues	142,584,500
3	State general fund/general purpose	\$ 27,052,300
4	Sec. 104. COMMUNITY SERVICES AND OUTREACH	
5	Full-time equated classified positions.....	65.6
6	Bureau of community services and outreach--20.0 FTE	
7	positions	\$ 3,439,300
8	Campus sexual assault prevention and education	
9	initiative	1,321,700
10	Child advocacy centers--0.5 FTE position.....	2,407,000
11	Community services and outreach administration--12.0	
12	FTE positions	1,672,300
13	Community services block grant	25,840,000
14	Crime victim grants administration services--17.0	
15	FTE positions	2,236,000
16	Crime victim justice assistance grants	99,279,300
17	Crime victim rights services grants	18,870,000
18	Domestic violence prevention and treatment--15.6 FTE	
19	positions	17,915,700
20	Homeless programs	22,632,700
21	Housing and support services	13,031,000
22	Rape prevention and services--0.5 FTE position	5,097,300
23	School success partnership program	525,000
24	Uniform statewide sexual assault evidence kit	
25	tracking system	800,000
26	Weatherization assistance	<u>15,505,000</u>
27	GROSS APPROPRIATION	\$ 230,572,300

1	Appropriated from:	
2	Federal revenues:	
3	Social security act, temporary assistance for needy	
4	families	13,264,800
5	Capped federal revenues.....	57,314,500
6	Total other federal revenues.....	117,138,300
7	Special revenue funds:	
8	Compulsive gambling prevention fund.....	1,040,500
9	Sexual assault evidence tracking fund.....	800,000
10	Sexual assault victims' prevention and treatment fund	3,000,000
11	Child advocacy centers fund.....	1,407,000
12	Crime victim's rights fund.....	17,690,600
13	State general fund/general purpose.....	\$ 18,916,600
14	Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD	
15	WELFARE	
16	Full-time equated classified positions.....	4,047.2
17	Adoption subsidies.....	\$ 198,618,200
18	Adoption support services--10.0 FTE positions	33,588,800
19	Attorney general contract.....	5,001,100
20	Child abuse and neglect - children's justice	
21	act--1.0 FTE position	626,400
22	Child care fund.....	207,915,100
23	Child protection.....	800,300
24	Child welfare administration travel.....	375,000
25	Child welfare field staff - noncaseload	
26	compliance--353.0 FTE positions.....	39,335,100
27	Child welfare institute--51.0 FTE positions	9,315,000

1	Child welfare licensing--59.0 FTE positions	7,120,300
2	Child welfare medical/psychiatric evaluations	10,435,500
3	Children's protective services - caseload	
4	staff--1,615.0 FTE positions	162,849,600
5	Children's protective services supervisors--387.0	
6	FTE positions	45,708,900
7	Children's services administration--188.2 FTE	
8	positions	20,412,900
9	Children's trust fund administration--12.0 FTE	
10	positions	590,700
11	Children's trust fund grants	3,777,200
12	Contractual services, supplies, and materials	10,155,600
13	Court appointed special advocates	100
14	Education planners--15.0 FTE positions	1,579,200
15	Family preservation and prevention services	
16	administration--9.0 FTE positions	1,342,900
17	Family preservation programs--15.0 FTE positions	42,291,400
18	Foster care payments	244,982,200
19	Foster care services - caseload staff--966.0 FTE	
20	positions	93,195,800
21	Foster care services supervisors--227.0 FTE positions	29,535,000
22	Foster care task force	50,000
23	Guardianship assistance program	10,534,500
24	Peer coaches--45.5 FTE positions	5,922,300
25	Performance based funding implementation--3.0 FTE	
26	positions	1,454,500
27	Permanency resource managers--28.0 FTE positions	3,317,600

1	Prosecuting attorney contracts.....	3,879,500
2	Second line supervisors and technical staff--54.0	
3	FTE positions	9,184,800
4	Settlement monitor.....	2,034,100
5	Strong families/safe children.....	12,600,000
6	Title IV-E compliance and accountability office--4.0	
7	FTE positions	435,700
8	Youth in transition--4.5 FTE positions	<u>15,545,100</u>
9	GROSS APPROPRIATION.....	\$ 1,234,510,400
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from department of education.....	90,300
13	Federal revenues:	
14	Social security act, temporary assistance for needy	
15	families	344,141,600
16	Capped federal revenues.....	111,497,100
17	Total other federal revenues.....	252,067,700
18	Special revenue funds:	
19	Private - collections.....	1,770,700
20	Local funds - county chargeback.....	18,102,700
21	Children's trust fund.....	2,897,300
22	State general fund/general purpose.....	\$ 503,943,000
23	Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE	
24	JUSTICE	
25	Full-time equated classified positions..... 120.5	
26	Bay Pines Center--47.0 FTE positions.....	\$ 5,755,100
27	Committee on juvenile justice administration--2.5	

Senate Bill No. 139 as amended May 14, 2019

1	FTE positions	356,300
2	Committee on juvenile justice grants	3,000,000
3	Community support services--3.0 FTE positions	2,129,400
4	County juvenile officers	3,904,300
5	Juvenile justice, administration and	
6	maintenance--21.0 FTE positions	3,997,500
7	Shawono Center--47.0 FTE positions	<u>5,804,100</u>
8	GROSS APPROPRIATION	\$ 24,946,700
9	Appropriated from:	
10	Federal revenues:	
11	Capped federal revenues	8,567,600
12	Total other federal revenues	25,800
13	Special revenue funds:	
14	Local funds - state share education funds	1,355,700
15	Local funds - county chargeback	4,698,000
16	State general fund/general purpose	\$ 10,299,600
17	Sec. 107. PUBLIC ASSISTANCE	
18	Full-time equated classified positions	3.0
19	Emergency services local office allocations	\$ 9,007,500
20	Family independence program	65,774,800
21	Food assistance program benefits	1,760,805,700
22	Food Bank Council of Michigan	<<2,515,200>>
23	Indigent burial	4,375,000
24	Low-income home energy assistance program	174,951,600
25	Michigan energy assistance program--1.0 FTE position .	50,000,000
26	Multicultural integration funding	15,303,800
27	Refugee assistance program--2.0 FTE positions	3,050,400

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1	State disability assistance payments.....	6,567,500
2	State supplementation.....	58,903,400
3	State supplementation administration.....	<u>1,681,100</u>
4	GROSS APPROPRIATION.....	\$ <<2,152,936,000>>
5	Appropriated from:	
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families	55,534,000
9	Capped federal revenues.....	178,186,500
10	Total other federal revenues.....	1,756,605,700
11	Special revenue funds:	
12	Child support collections.....	11,250,200
13	Supplemental security income recoveries.....	4,142,700
14	Public assistance recoupment revenue.....	5,000,000
15	Low-income energy assistance fund.....	50,000,000
16	State general fund/general purpose.....	\$ <<92,216,900>>
17	Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES	
18	Full-time equated classified positions.....	5,814.5
19	Administrative support workers--221.0 FTE positions..	\$ 13,397,000
20	Adult services field staff--520.0 FTE positions.....	58,058,800
21	Contractual services, supplies, and materials.....	16,927,600
22	Donated funds positions--238.0 FTE positions.....	27,558,000
23	Elder Law of Michigan MiCAFE contract.....	350,000
24	Electronic benefit transfer (EBT)	8,509,000
25	Employment and training support services.....	4,219,100
26	Field policy and administration--66.0 FTE positions..	11,464,100
27	Field staff travel.....	8,111,400

1	Medical/psychiatric evaluations	1,420,100
2	Nutrition education--2.0 FTE positions	33,050,400
3	Public assistance field staff--4,747.5 FTE positions .	499,285,700
4	SSI advocacy legal services grant	250,000
5	Training and program support--20.0 FTE positions	2,516,600
6	Volunteer services and reimbursement	<u>942,400</u>
7	GROSS APPROPRIATION	\$ 686,060,200
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from department of corrections	121,500
11	IDG from department of education	7,873,100
12	Federal revenues:	
13	Social security act, temporary assistance for needy	
14	families	73,168,800
15	Capped federal revenues	55,013,900
16	Total other federal revenues	264,639,700
17	Special revenue funds:	
18	Local funds - donated funds	4,102,000
19	Private funds - donated funds	9,395,600
20	State general fund/general purpose	\$ 271,745,600
21	Sec. 109. DISABILITY DETERMINATION SERVICES	
22	Full-time equated classified positions	575.4
23	Disability determination operations--571.3 FTE	
24	positions	\$ 112,880,800
25	Retirement disability determination--4.1 FTE positions	<u>623,300</u>
26	GROSS APPROPRIATION	\$ 113,504,100
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG from DTMB - office of retirement services	799,900
3	Federal revenues:	
4	Total other federal revenues	108,388,000
5	State general fund/general purpose	\$ 4,316,200
6	Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
7	AND SPECIAL PROJECTS	
8	Full-time equated classified positions..... 108.0	
9	Behavioral health program administration--86.0 FTE	
10	positions	\$ 54,836,800
11	Family support subsidy.....	14,137,300
12	Federal and other special projects	2,535,600
13	Gambling addiction--1.0 FTE position.....	4,511,000
14	Office of recipient rights--21.0 FTE positions	2,804,700
15	Protection and advocacy services support	<u>194,400</u>
16	GROSS APPROPRIATION.....	\$ 79,019,800
17	Appropriated from:	
18	Federal revenues:	
19	Social security act, temporary assistance for needy	
20	families	14,317,800
21	Total other federal revenues	38,998,700
22	Special revenue funds:	
23	Total private revenues	1,004,700
24	Total other state restricted revenues	4,511,000
25	State general fund/general purpose	\$ 20,187,600
26	Sec. 111. BEHAVIORAL HEALTH SERVICES	
27	Full-time equated classified positions..... 11.0	

1	Autism services.....	\$	208,181,100
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.....		125,578,200
6	Community substance use disorder prevention,		
7	education, and treatment		107,754,700
8	Court-appointed guardian and conservator reimbursement		100
9	Federal mental health block grant--4.0 FTE positions .		20,573,800
10	Health homes.....		3,369,000
11	Healthy Michigan plan - behavioral health.....		346,548,100
12	Medicaid mental health services.....		2,478,086,100
13	Medicaid substance use disorder services.....		66,200,100
14	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....		12,291,300
15	State disability assistance program substance use		
16	disorder services		<u>2,018,800</u>
17	GROSS APPROPRIATION.....	\$	3,401,241,700
18	Appropriated from:		
19	Federal revenues:		
20	Total other federal revenues.....		2,232,858,000
21	Special revenue funds:		
22	Total local revenues.....		25,475,700
23	Total other state restricted revenues.....		34,018,100
24	State general fund/general purpose.....	\$	1,108,889,900
25	Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC		
26	MENTAL HEALTH SERVICES		
27	Total average population		770.0

1	Full-time equated classified positions.....	2,380.6	
2	Behavioral health facility contingency.....		\$ 20,000,000
3	Caro Regional Mental Health Center - psychiatric		
4	hospital - adult - or regional mental health center		
5	located within 6 miles of the county seat of a		
6	county with a population between 55,000 and 57,0		
7	in the 2010 decennial census--542.3 FTE positions...		63,020,400
8	Average population	145.0	
9	Center for forensic psychiatry--613.1 FTE positions ..		88,170,000
10	Average population	240.0	
11	Developmental disabilities council and projects--10.0		
12	FTE positions		3,108,100
13	Gifts and bequests for patient living and treatment		
14	environment		1,000,000
15	Hawthorn Center - psychiatric hospital - children		
16	and adolescents--276.0 FTE positions.....		32,617,800
17	Average population	55.0	
18	IDEA, federal special education.....		120,000
19	Kalamazoo Psychiatric Hospital - adult--533.8 FTE		
20	positions		70,128,800
21	Average population	170.0	
22	Purchase of medical services for residents of		
23	hospitals and centers		445,600
24	Revenue recapture.....		750,100
25	Special maintenance.....		924,600
26	Walter P. Reuther Psychiatric Hospital - adult--405.4		
27	FTE positions		48,375,800

1	Average population	160.0	
2	GROSS APPROPRIATION.....	\$	328,661,200
3	Appropriated from:		
4	Federal revenues:		
5	Total other federal revenues		43,434,400
6	Special revenue funds:		
7	Total local revenues		23,106,200
8	Total private revenues		1,000,000
9	Total other state restricted revenues		15,092,700
10	State general fund/general purpose	\$	246,027,900
11	Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND		
12	INITIATIVES		
13	Full-time equated classified positions.....	609.7	
14	Certificate of need program administration--11.8 FTE		
15	positions	\$	2,770,900
16	Health policy administration--33.9 FTE positions		14,517,200
17	Human trafficking intervention services		200,000
18	Independent living		14,031,700
19	Michigan essential health provider		4,521,200
20	Michigan rehabilitation services--555.0 FTE positions		131,109,200
21	Minority health grants and contracts--3.0 FTE		
22	positions		1,127,900
23	Nurse education and research program--3.0 FTE		
24	positions		798,900
25	Primary care services--2.0 FTE positions		3,481,000
26	Rural health services--1.0 FTE position		1,555,500
27	GROSS APPROPRIATION.....	\$	174,113,500

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from the department of education.....	2,400
4	IDG from the department of licensing and regulatory	
5	affairs	837,200
6	IDG from the department of treasury, Michigan state	
7	hospital finance authority	117,700
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families	332,100
11	Capped federal revenues.....	104,163,600
12	Federal supplemental security income.....	8,588,600
13	Total other federal revenues.....	16,176,400
14	Special revenue funds:	
15	Total local revenues.....	5,300,000
16	Total private revenues.....	1,396,500
17	Total other state restricted revenues.....	3,143,000
18	State general fund/general purpose.....	\$ 34,056,000
19	Sec. 114. LABORATORY SERVICES	
20	Full-time equated classified positions..... 102.0	
21	Laboratory services--102.0 FTE positions.....	\$ <u>23,776,100</u>
22	GROSS APPROPRIATION.....	\$ 23,776,100
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from the department of environmental quality.....	1,004,600
26	Federal revenues:	
27	Total other federal revenues.....	4,338,600

1	Special revenue funds:	
2	Total other state restricted revenues	11,147,200
3	State general fund/general purpose	\$ 7,285,700
4	Sec. 115. EPIDEMIOLOGY AND POPULATION HEALTH	
5	Full-time equated classified positions.....	229.5
6	Childhood lead program--4.5 FTE positions	\$ 2,062,200
7	Epidemiology administration--75.1 FTE positions	21,274,400
8	Healthy homes program--12.0 FTE positions	27,768,000
9	Newborn screening follow-up and treatment	
10	services--10.5 FTE positions	7,825,900
11	PFAS and environmental contamination response--46.0	
12	FTE positions	18,925,300
13	Vital records and health statistics--81.4 FTE	
14	positions	<u>10,439,500</u>
15	GROSS APPROPRIATION.....	\$ 88,295,300
16	Appropriated from:	
17	Federal revenues:	
18	Capped federal revenues	81,100
19	Total other federal revenues	41,423,800
20	Special revenue funds:	
21	Total private revenues	347,000
22	Total other state restricted revenues	14,529,500
23	State general fund/general purpose	\$ 31,913,900
24	Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
25	Full-time equated classified positions.....	137.3
26	AIDS prevention, testing, and care programs--37.7	
27	FTE positions	\$ 63,752,200

1	Cancer prevention and control program--16.0 FTE	
2	positions	15,632,300
3	Chronic disease control and health promotion	
4	administration--23.4 FTE positions.....	10,420,800
5	Diabetes and kidney program--8.0 FTE positions	3,274,700
6	Essential local public health services	51,419,300
7	Implementation of 1993 PA 133, MCL 333.17015	20,000
8	Injury control intervention project	100
9	Local health services--3.3 FTE positions	7,209,100
10	Medicaid outreach cost reimbursement to local health	
11	departments	12,500,000
12	Public health administration--9.0 FTE positions	1,998,200
13	Sexually transmitted disease control program--20.0	
14	FTE positions	6,376,500
15	Smoking prevention program--15.0 FTE positions	3,818,000
16	Violence prevention--4.9 FTE positions	<u>3,315,800</u>
17	GROSS APPROPRIATION.....	\$ 179,737,000
18	Appropriated from:	
19	Federal revenues:	
20	Capped federal revenues.....	495,000
21	Total other federal revenues.....	72,554,200
22	Special revenue funds:	
23	Total local revenues.....	5,150,000
24	Total private revenues.....	33,789,800
25	Total other state restricted revenues.....	9,919,500
26	State general fund/general purpose	\$ 57,828,500
27	Sec. 117. FAMILY HEALTH SERVICES	

1	Full-time equated classified positions.....	133.6	
2	Dental programs--3.8 FTE positions.....		\$ 2,764,900
3	Family, maternal, and child health		
4	administration--55.0 FTE positions.....		9,738,300
5	Family planning local agreements.....		8,310,700
6	Immunization program--15.8 FTE positions.....		19,046,200
7	Local MCH services.....		7,018,100
8	Pregnancy prevention program.....		1,464,600
9	Prenatal care and premature birth avoidance grant		1,000,000
10	Prenatal care outreach and service delivery		
11	support--14.0 FTE positions		20,803,500
12	Special projects.....		11,486,000
13	Sudden and unexpected infant death and suffocation		
14	prevention program		321,300
15	Women, infants, and children program administration		
16	and benefits--45.0 FTE positions.....		<u>249,471,600</u>
17	GROSS APPROPRIATION.....		\$ 331,425,200
18	Appropriated from:		
19	Federal revenues:		
20	Social security act, temporary assistance for needy		
21	families		750,000
22	Total other federal revenues.....		243,388,500
23	Special revenue funds:		
24	Total local revenues.....		75,000
25	Total private revenues.....		62,202,400
26	Total other state restricted revenues.....		4,053,900
27	State general fund/general purpose.....		\$ 20,955,400

**Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND
PREPAREDNESS**

Full-time equated classified positions.....	76.0	
Bioterrorism preparedness--53.0 FTE positions		\$ 30,588,900
Emergency medical services program--23.0 FTE positions		<u>6,594,100</u>
GROSS APPROPRIATION.....		\$ 37,183,000

Appropriated from:

Federal revenues:

Total other federal revenues		31,532,200
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Special revenue funds:

Total other state restricted revenues		4,004,900
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State general fund/general purpose		\$ 1,645,900
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Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES

Full-time equated classified positions.....	46.8	
Bequests for care and services--2.8 FTE positions		\$ 1,841,400
Children's special health care services		
administration--44.0 FTE positions.....		6,173,400
Medical care and treatment		228,477,000
Nonemergency medical transportation		905,900
Outreach and advocacy		<u>5,510,000</u>
GROSS APPROPRIATION.....		\$ 242,907,700

Appropriated from:

Federal revenues:

Total other federal revenues		130,414,400
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Special revenue funds:

Total private revenues		1,019,800
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Total other state restricted revenues		3,683,400
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1	State general fund/general purpose	\$	107,790,100
2	Sec. 120. AGING AND ADULT SERVICES AGENCY		
3	Full-time equated classified positions.....	47.0	
4	Aging and adult services administration--47.0 FTE		
5	positions	\$	8,727,600
6	Community services.....		<<46,067,500>>
7	Employment assistance.....		3,500,000
8	Nutrition services.....		42,254,200
9	Respite care program.....		6,468,700
10	Senior volunteer service programs		<u>4,765,300</u>
11	GROSS APPROPRIATION.....	\$	<<111,783,300>>
12	Appropriated from:		
13	Federal revenues:		
14	Capped federal revenues.....		249,700
15	Total other federal revenues		59,094,200
16	Special revenue funds:		
17	Total private revenues.....		520,000
18	Michigan merit award trust fund.....		4,068,700
19	Total other state restricted revenues		2,000,000
20	State general fund/general purpose	\$	<<45,850,700>>
21	Sec. 121. MEDICAL SERVICES ADMINISTRATION		
22	Full-time equated classified positions.....	406.0	
23	Electronic health record incentive program.....	\$	37,501,000
24	Healthy Michigan plan administration--36.0 FTE		
25	positions		45,654,100
26	Healthy Michigan plan work supports		10,000,000
27	Medical services administration--370.0 FTE positions .		<u>79,621,800</u>

1	GROSS APPROPRIATION.....	\$	172,776,900
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues.....		118,936,900
5	Special revenue funds:		
6	Total local revenues.....		37,700
7	Total private revenues.....		101,300
8	Total other state restricted revenues.....		336,300
9	State general fund/general purpose.....	\$	53,364,700
10	Sec. 122. MEDICAL SERVICES		
11	Adult home help services.....	\$	393,359,100
12	Ambulance services.....		10,220,000
13	Auxiliary medical services.....		7,717,000
14	Dental clinic program.....		1,000,000
15	Dental services.....		331,631,700
16	Federal Medicare pharmaceutical program.....		293,038,500
17	Health plan services.....		5,205,096,500
18	Healthy Michigan plan.....		3,793,457,400
19	Home health services.....		6,427,000
20	Hospice services.....		163,243,100
21	Hospital disproportionate share payments.....		45,000,000
22	Hospital services and therapy.....		743,245,000
23	Integrated care organizations.....		250,392,300
24	Long-term care services.....		2,024,893,700
25	Maternal and child health.....		32,279,600
26	Medicaid home- and community-based services waiver...		346,613,000
27	Medicare premium payments.....		633,857,300

1	Personal care services.....	8,437,000
2	Pharmaceutical services.....	349,251,700
3	Physician services.....	210,585,100
4	Program of all-inclusive care for the elderly.....	133,210,000
5	School-based services.....	109,937,200
6	Special Medicaid reimbursement.....	309,957,300
7	Transportation.....	<u>16,966,500</u>
8	GROSS APPROPRIATION.....	\$ 15,419,816,000
9	Appropriated from:	
10	Federal revenues:	
11	Total other federal revenues.....	10,901,074,400
12	Special revenue funds:	
13	Total local revenues.....	45,492,900
14	Total private revenues.....	2,100,000
15	Michigan merit award trust fund.....	45,700,000
16	Total other state restricted revenues.....	2,609,177,400
17	State general fund/general purpose.....	\$ 1,816,271,300
18	Sec. 123. INFORMATION TECHNOLOGY	
19	Full-time equated classified positions..... 43.0	
20	Bridges information system.....	\$ 14,903,000
21	Child support automation.....	44,425,600
22	Information technology services and projects.....	203,415,900
23	Michigan Medicaid information system.....	104,287,600
24	Michigan statewide automated child welfare	
25	information system	18,133,800
26	Technology supporting integrated service	
27	delivery--43.0 FTE positions	<u>73,533,000</u>

Senate Bill No. 139 as amended May 14, 2019

1	GROSS APPROPRIATION.....	\$	458,698,900
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from department of education.....		1,067,000
5	Federal revenues:		
6	Social security act, temporary assistance for needy		
7	families		24,854,500
8	Capped federal revenues.....		24,580,600
9	Total other federal revenues.....		286,429,800
10	Special revenue funds:		
11	Total private revenues.....		25,000,000
12	Total other state restricted revenues.....		1,999,800
13	State general fund/general purpose.....	\$	94,767,200
14	Sec. 124. ONE-TIME APPROPRIATIONS		
15	Asian American health care and wellness initiative ...	\$	100
16	Autism navigator.....		100
17	Autism train the trainer grant.....		100,000
18	Dental clinic program.....		100
19	Drinking water declaration of emergency.....		700,000
20	Employment first.....		100
21	Federal health insurance fee.....		180,500,000
22	Information technology services and projects.....		47,000,000
23	Multicultural integration funding.....		1,381,100
24	Opioid transitional housing and services grant		750,000
25	Refugee assistance grant.....		100
26	State innovation model continuation.....		100
27	Statewide lead abatement contractor outreach.....		100
	<<Substance use disorder hospital pilot program .		<u>100>></u>

Senate Bill No. 139 as amended May 14, 2019

1	GROSS APPROPRIATION.....	\$	<<230,431,900>>
2	Appropriated from:		
3	Federal revenues:		
4	Total other federal revenues.....		165,730,200
5	State general fund/general purpose.....	\$	<<64,701,700>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2019-2020

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2019-2020 is <<\$7,611,696,200.00>> and state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is \$1,551,936,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL ADMINISTRATION AND MANAGEMENT

Departmentwide administration and management	\$	344,000
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Michigan community service commission.....		2,300
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CHILD SUPPORT ENFORCEMENT

Child support incentive payments.....	\$	9,465,000
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Legal support contracts.....		3,511,000
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COMMUNITY SERVICES AND OUTREACH

Crime victim administration and services.....	\$	7,796,300
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1	Domestic violence prevention and treatment		164,500
2	Housing and support services		501,200
3	CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
4	Child care fund	\$	164,865,900
5	Child welfare licensing		76,700
6	Child welfare medical/psychiatric evaluations		32,700
7	Child's trust fund grants		150,200
8	Contractual services, supplies, and materials		5,600
9	Foster care payments		2,485,800
10	Youth in transition		2,700
11	CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE		
12	Bay Pine Center	\$	26,900
13	Community support services		412,800
14	Juvenile justice, administration, and maintenance		26,500
15	Shawono Center		1,300
16	PUBLIC ASSISTANCE		
17	Emergency services local office allocations	\$	557,800
18	Family independence program		1,300
19	Indigent burial		4,300
20	Multicultural integration funding		1,387,100
21	State disability assistance payments		243,400
22	FIELD OPERATIONS AND SUPPORT SERVICES		
23	Contractual services, supplies, and materials	\$	46,500
24	Employment and training support services		7,600
25	Volunteer services and reimbursements		7,000
26	BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS		
27	Behavioral health program administration	\$	4,252,000

1	BEHAVIORAL HEALTH SERVICES		
2	Autism services.....	\$	72,884,600
3	Children with serious emotional disturbance waiver...		3,594,000
4	Children's waiver home care program.....		7,274,700
5	Community mental health non-Medicaid services.....		125,578,200
6	Community substance use disorder prevention,		
7	education, and treatment		14,735,900
8	Health homes.....		50,800
9	Healthy Michigan plan - behavioral health.....		32,396,000
10	Medicaid mental health services.....		852,130,400
11	Medicaid substance use disorder services.....		23,381,300
12	Nursing home PAS/ARR-OBRA.....		2,485,800
13	State disability assistance program substance use		
14	disorder services		1,807,600
15	STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES		
16	Caro Regional Mental Health Center - psychiatric		
17	hospital - adult - or regional mental health center		
18	located within 6 miles of the county seat of a		
19	county with a population between 55,000 and 57,000		
20	in the 2010 decennial census	\$	182,900
21	Center for forensic psychiatry.....		643,600
22	Hawthorn Center - psychiatric hospital - children		
23	and adolescents		93,600
24	Kalamazoo Psychiatric Hospital - adult.....		33,300
25	Walter P. Reuther Psychiatric Hospital - adult.....		48,000
26	HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES		
27	Michigan rehabilitation services.....	\$	262,600

1	Primary care services.....		88,900
2	EPIDEMIOLOGY AND POPULATION HEALTH		
3	Epidemiology administration.....	\$	233,200
4	Healthy homes program.....		99,200
5	Vital records and health statistics.....		5,100
6	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
7	AIDS prevention, testing, and care programs.....	\$	2,323,800
8	Cancer prevention and control program.....		463,000
9	Chronic disease control and health promotion		
10	administration		2,189,400
11	Essential local public health services.....		46,269,300
12	Local health services.....		3,184,300
13	Sexually transmitted disease control program.....		442,700
14	FAMILY HEALTH SERVICES		
15	Family planning local agreements.....	\$	187,700
16	Family, maternal, and child health administration....		52,300
17	Immunization program.....		1,247,900
18	Prenatal care outreach and service delivery support ..		3,809,100
19	Special projects.....		760,000
20	EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS		
21	Emergency medical services program.....	\$	8,200
22	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
23	Medical care and treatment.....	\$	368,800
24	Outreach and advocacy.....		2,617,900
25	AGING AND ADULT SERVICES AGENCY		
26	Aging and adult services administration.....	\$	716,400
27	Community services.....		21,589,200

1	Nutrition services.....	12,597,200
2	Respite care program.....	6,375,300
3	Senior volunteer service programs.....	1,000,400
4	MEDICAL SERVICES	
5	Adult home help services.....	\$ 269,100
6	Ambulance services.....	441,400
7	Auxiliary medical services.....	1,100
8	Dental services.....	1,166,900
9	Health plan services.....	658,300
10	Healthy Michigan plan.....	463,800
11	Home health services.....	15,500
12	Hospice services.....	51,700
13	Hospital disproportionate share payments.....	9,000
14	Hospital services and therapy.....	2,032,000
15	Long-term care services.....	90,155,600
16	Medicaid home- and community-based services waiver...	11,666,900
17	Personal care services.....	28,900
18	Pharmaceutical services.....	16,400
19	Physician services.....	3,320,300
20	Special Medicaid reimbursement.....	112,900
21	Transportation.....	235,900
22	ONE-TIME APPROPRIATIONS	
23	Drinking water declaration of emergency.....	\$ 700,000
24	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ 1,551,936,700
25	Sec. 202. The appropriations authorized under this part and	
26	part 1 are subject to the management and budget act, 1984 PA 431,	
27	MCL 18.1101 to 18.1594.	

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

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

3 (b) "CMHSP" means a community mental health services program
4 as that term is defined in section 100a of the mental health code,
5 1974 PA 258, MCL 330.1100a.

6 (c) "CMS" means the Centers for Medicare and Medicaid
7 Services.

8 (d) "Current fiscal year" means the fiscal year ending
9 September 30, 2020.

10 (e) "Department" means the department of health and human
11 services.

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

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

14 (h) "EPSDT" means early and periodic screening, diagnosis, and
15 treatment.

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

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

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

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

25 (m) "HEDIS" means healthcare effectiveness data and
26 information set.

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

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

3 (p) "IDG" means interdepartmental grant.

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

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

7 (s) "Medicare" means subchapter XVIII of the social security
8 act, 42 USC 1395 to 1395///.

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

11 (u) "MiChild" means the program described in section 1670 of
12 this part.

13 (v) "MiSACWIS" means Michigan statewide automated child
14 welfare information system.

15 (w) "PAS/ARR-OBRA" means the preadmission screening and annual
16 resident review required under the omnibus budget reconciliation
17 act of 1987, section 1919(e)(7) of the social security act, 42 USC
18 1396r.

19 (x) "PFAS" means perfluoroalkyl and polyfluoroalkyl
20 substances.

21 (y) "PIHP" means an entity designated by the department as a
22 regional entity or a specialty prepaid inpatient health plan for
23 Medicaid mental health services, services to individuals with
24 developmental disabilities, and substance use disorder services.
25 Regional entities are described in section 204b of the mental
26 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid
27 inpatient health plans are described in section 232b of the mental

1 health code, 1974 PA 258, MCL 330.1232b.

2 (z) "Previous fiscal year" means the fiscal year ending
3 September 30, 2019.

4 (aa) "Quarterly reports" means 4 reports shall be submitted to
5 the required recipients by the following dates: February 1, April
6 1, July 1, and September 30 of the current fiscal year.

7 (bb) "Semiannual basis" means March 1 and September 30 of the
8 current fiscal year.

9 (cc) "Settlement" means the settlement agreement entered in
10 the case of *Dwayne B. v Snyder*, docket no. 2:06-cv-13548 in the
11 United States District Court for the Eastern District of Michigan.

12 (dd) "SSI" means supplemental security income.

13 (ee) "Temporary assistance for needy families" or "TANF" or
14 "title IV-A" means part A of subchapter IV of the social security
15 act, 42 USC 601 to 619.

16 (ff) "Title IV-B" means part B of title IV of the social
17 security act, 42 USC 620 to 629m.

18 (gg) "Title IV-D" means part D of title IV of the social
19 security act, 42 USC 651 to 669b.

20 (hh) "Title IV-E" means part E of title IV of the social
21 security act, 42 USC 670 to 679c.

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

25 Sec. 204. Unless otherwise specified, the departments and
26 agencies receiving appropriations in part 1 shall use the internet
27 to fulfill the reporting requirements of this part and part 1. This

1 requirement shall include transmission of reports via electronic
2 mail to the recipients identified for each reporting requirement,
3 and it shall include placement of reports on the internet.

4 Sec. 205. Funds appropriated in part 1 shall not be used for
5 the purchase of foreign goods or services, or both, if
6 competitively priced and of comparable quality American goods or
7 services, or both, are available. Preference shall be given to
8 goods or services, or both, manufactured or provided by Michigan
9 businesses if they are competitively priced and of comparable
10 quality. In addition, preference shall be given to goods or
11 services, or both, that are manufactured or provided by Michigan
12 businesses owned and operated by veterans if they are competitively
13 priced and of comparable quality.

14 Sec. 206. The director shall take all reasonable steps to
15 ensure businesses in deprived and depressed communities compete for
16 and perform contracts to provide services or supplies, or both.
17 Each director shall strongly encourage firms with which the
18 department contracts to subcontract with certified businesses in
19 depressed and deprived communities for services, supplies, or both.

20 Sec. 207. The departments and agencies receiving
21 appropriations in part 1 shall prepare a report on out-of-state
22 travel expenses not later than January 1 of each year. The travel
23 report shall be a listing of all travel by classified and
24 unclassified employees outside this state in the immediately
25 preceding fiscal year that was funded in whole or in part with
26 funds appropriated in the department's budget. The report shall be
27 submitted to the senate and house appropriations committees, the

1 house and senate fiscal agencies, and the state budget director.

2 The report shall include the following information:

3 (a) The dates of each travel occurrence.

4 (b) The transportation and related costs of each travel
5 occurrence, including the proportion funded with state general
6 fund/general purpose revenues, the proportion funded with state
7 restricted revenues, the proportion funded with federal revenues,
8 and the proportion funded with other revenues.

9 Sec. 209. Not later than November 30, the state budget office
10 shall prepare and transmit a report that provides for estimates of
11 the total general fund/general purpose appropriation lapses at the
12 close of the prior fiscal year. This report shall summarize the
13 projected year-end general fund/general purpose appropriation
14 lapses by major departmental program or program areas. The report
15 shall be transmitted to the chairpersons of the senate and house
16 appropriations committees, and the senate and house fiscal
17 agencies.

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

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

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

24 (c) Fiscal year-to-date payments to a selected vendor,
25 including the vendor name, payment date, payment amount, and
26 payment description.

27 (d) The number of active department employees by job

1 classification.

2 (e) Job specifications and wage rates.

3 Sec. 212. Within 14 days after the release of the executive
4 budget recommendation, the department shall cooperate with the
5 state budget office to provide the senate and house appropriations
6 chairs, the senate and house appropriations subcommittees chairs,
7 and the senate and house fiscal agencies with an annual report on
8 estimated state restricted fund balances, state restricted fund
9 projected revenues, and state restricted fund expenditures for the
10 previous fiscal year and the current fiscal year.

11 Sec. 213. The department shall maintain, on a publicly
12 accessible website, a department scorecard that identifies, tracks,
13 and regularly updates key metrics that are used to monitor and
14 improve the department's performance.

15 Sec. 214. Total authorized appropriations from all sources
16 under part 1 for legacy costs for the current fiscal year are
17 estimated at \$350,330,100.00. From this amount, total agency
18 appropriations for pension-related legacy costs are estimated at
19 \$170,303,500.00. Total agency appropriations for retiree health
20 care legacy costs are estimated at \$180,026,600.00.

21 Sec. 215. If either of the following events occur, within 30
22 days the department shall notify the state budget director, the
23 chairs of the house and senate appropriations subcommittees on the
24 department budget, and the house and senate fiscal agencies and
25 policy offices of that fact:

26 (a) A legislative objective of this part or of a bill or
27 amendment to a bill to amend the social welfare act, 1939 PA 280,

1 MCL 400.1 to 400.119b, cannot be implemented because implementation
2 would conflict with or violate federal regulations.

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

5 Sec. 216. (1) In addition to funds appropriated in part 1 for
6 all programs and services, there is appropriated for write-offs of
7 accounts receivable, deferrals, and for prior year obligations in
8 excess of applicable prior year appropriations, an amount equal to
9 total write-offs and prior year obligations, but not to exceed
10 amounts available in prior year revenues.

11 (2) The department's ability to satisfy appropriation fund
12 sources in part 1 shall not be limited to collections and accruals
13 pertaining to services provided in the current fiscal year, but
14 shall also include reimbursements, refunds, adjustments, and
15 settlements from prior years.

16 Sec. 217. (1) By February 1 of the current fiscal year, the
17 department shall report to the house and senate appropriations
18 subcommittees on the department budget, the house and senate fiscal
19 agencies, and the state budget director on the detailed name and
20 amounts of estimated federal, restricted, private, and local
21 sources of revenue that support the appropriations in each of the
22 line items in part 1.

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

1 next fiscal year executive budget proposal.

2 Sec. 218. The department shall include, but not be limited to,
3 the following in its annual list of proposed basic health services
4 as required in part 23 of the public health code, 1978 PA 368, MCL
5 333.2301 to 333.2321:

6 (a) Immunizations.

7 (b) Communicable disease control.

8 (c) Sexually transmitted disease control.

9 (d) Tuberculosis control.

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

11 (f) Screening newborns for the conditions listed in section
12 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
13 recommended by the newborn screening quality assurance advisory
14 committee created under section 5430 of the public health code,
15 1978 PA 368, MCL 333.5430.

16 (g) Health and human services annex of the Michigan emergency
17 management plan.

18 (h) Prenatal care.

19 Sec. 219. (1) The department may contract with the Michigan
20 Public Health Institute for the design and implementation of
21 projects and for other public health-related activities prescribed
22 in section 2611 of the public health code, 1978 PA 368, MCL
23 333.2611. The department may develop a master agreement with the
24 Michigan Public Health Institute to carry out these purposes for up
25 to a 3-year period. The department shall report to the house and
26 senate appropriations subcommittees on the department budget, the
27 house and senate fiscal agencies, and the state budget director on

1 or before January 1 of the current fiscal year all of the
2 following:

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

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

7 (c) The expected project duration.

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

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

18 Sec. 220. The department shall ensure that faith-based
19 organizations are able to apply and compete for services, programs,
20 or contracts that they are qualified and suitable to fulfill. The
21 department shall not disqualify faith-based organizations solely on
22 the basis of the religious nature of their organization or their
23 guiding principles or statements of faith.

24 Sec. 221. According to section 1b of the social welfare act,
25 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this
26 part as a time-limited addendum to the social welfare act, 1939 PA
27 280, MCL 400.1 to 400.119b.

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

4 (2) The department shall report by April 1 of the current
5 fiscal year on each specific policy change made to implement a
6 public act affecting the department that took effect during the
7 prior calendar year to the house and senate appropriations
8 subcommittees on the budget for the department, the joint committee
9 on administrative rules, the senate and house fiscal agencies, and
10 policy offices. The department shall attach each policy bulletin
11 issued during the prior calendar year to this report.

12 Sec. 223. The department may establish and collect fees for
13 publications, videos and related materials, conferences, and
14 workshops. Collected fees are appropriated when received and shall
15 be used to offset expenditures to pay for printing and mailing
16 costs of the publications, videos and related materials, and costs
17 of the workshops and conferences. The department shall not collect
18 fees under this section that exceed the cost of the expenditures.
19 When collected fees are appropriated under this section in an
20 amount that exceeds the current fiscal year appropriation, within
21 30 days the department shall notify the chairs of the house and
22 senate appropriations subcommittees on the department budget, the
23 house and senate fiscal agencies and policy offices, and the state
24 budget director of that fact.

25 Sec. 224. The department may retain all of the state's share
26 of food assistance overissuance collections as an offset to general
27 fund/general purpose costs. Retained collections shall be applied

1 against federal funds deductions in all appropriation units where
2 department costs related to the investigation and recoupment of
3 food assistance overissuances are incurred. Retained collections in
4 excess of such costs shall be applied against the federal funds
5 deducted in the departmental administration and support
6 appropriation unit.

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

11 (2) Neither the department nor private service providers or
12 licensees shall be granted preferential treatment or considered
13 automatically to be in compliance with administrative rules based
14 on whether they have collective bargaining agreements with direct
15 care workers. Private service providers or licensees without
16 collective bargaining agreements shall not be subjected to
17 additional requirements or conditions of licensure based on their
18 lack of collective bargaining agreements.

19 Sec. 226. If the revenue collected by the department from fees
20 and collections exceeds the amount appropriated in part 1, the
21 revenue may be carried forward with the approval of the state
22 budget director into the subsequent fiscal year. The revenue
23 carried forward under this section shall be used as the first
24 source of funds in the subsequent fiscal year.

25 Sec. 227. The state departments, agencies, and commissions
26 receiving tobacco tax funds and Healthy Michigan fund revenue from
27 part 1 shall report by April 1 of the current fiscal year to the

1 senate and house appropriations committees, the senate and house
2 fiscal agencies, and the state budget director on the following:

3 (a) Detailed spending plan by appropriation line item
4 including description of programs and a summary of organizations
5 receiving these funds.

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

8 (c) Eligibility criteria for program participation and maximum
9 benefit levels where applicable.

10 (d) Outcome measures used to evaluate programs, including
11 measures of the effectiveness of these programs in improving the
12 health of Michigan residents.

13 Sec. 228. If the department is authorized under state or
14 federal law to collect an overpayment owed to the department, the
15 department may assess a penalty of 1% per month beginning 60 days
16 after notification. If caused by department error, a penalty may
17 not be assessed until 6 months after the initial notification date
18 of the overpayment amount. The department shall not collect penalty
19 interest in an amount that exceeds the amount of the original
20 overpayment. The state share of any funds collected under this
21 section shall be deposited in the state general fund.

22 Sec. 229. (1) The department shall extend the interagency
23 agreement with the Michigan talent investment agency for the
24 duration of the current fiscal year, which concerns TANF funding to
25 provide job readiness and welfare-to-work programming. The
26 interagency agreement shall include specific outcome and
27 performance reporting requirements as described in this section.

1 TANF funding provided to the Michigan talent investment agency in
2 the current fiscal year is contingent on compliance with the data
3 and reporting requirements described in this section. The
4 interagency agreement must require the Michigan talent investment
5 agency to provide all of the following items by January 1 of the
6 current fiscal year for the previous fiscal year to the senate and
7 house appropriations subcommittees on the department budget and the
8 state budget office:

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

11 (i) Direct services to recipients.

12 (ii) Administrative expenditures.

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

15 (i) The number and percentage who obtained employment through
16 Michigan Works!

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

19 (iii) Average TANF spending per recipient.

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

23 (2) By March 1 of the current fiscal year, the department
24 shall provide to the senate and house appropriations subcommittees
25 on the department budget, the senate and house fiscal agencies, the
26 senate and house policy offices, and the state budget office an
27 annual report on the following matters itemized by Michigan Works!

1 agency: the number of referrals to Michigan Works! job readiness
2 programs, the number of referrals to Michigan Works! job readiness
3 programs who became a participant in the Michigan Works! job
4 readiness programs, the number of participants who obtained
5 employment, and the cost per participant case.

6 Sec. 230. By December 31 of the current fiscal year, the
7 department shall report 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 on the
10 status of the implementation of any noninflationary, noncaseload,
11 programmatic funding increases from the previous fiscal year. The
12 report shall confirm the implementation of already implemented
13 funding increases and provide explanations for any planned
14 implementation of funding increases that have not yet occurred. For
15 any planned implementation of funding increases that have not yet
16 occurred, the department shall provide an expected implementation
17 date and the reasons for delayed implementation.

18 Sec. 231. From the funds appropriated in part 1 for travel
19 reimbursements to employees, the department shall allocate up to
20 \$100,000.00 toward reimbursing counties for the out-of-pocket
21 travel costs of the local county department board members and
22 county department directors to attend 1 meeting per year of the
23 Michigan County Social Services Association.

24 Sec. 232. (1) The department shall provide the approved
25 spending plan for each line item receiving an appropriation in the
26 current fiscal year to the senate and house appropriations
27 subcommittees on the department budget and the senate and house

1 fiscal agencies within 60 days of approval by the department but
2 not later than January 15 of the current fiscal year. The spending
3 plan shall include the following information regarding planned
4 expenditures for each category: allocation in the previous period,
5 change in the allocation, and new allocation. The spending plan
6 shall include the following information regarding each revenue
7 source for the line item: category of the fund source indicated by
8 general fund/general purpose, state restricted, local, private or
9 federal. Figures included in the approved spending plan shall not
10 be assumed to constitute the actual final expenditures, as line
11 items may be updated on an as-needed basis to reflect changes in
12 projected expenditures and projected revenue. The department shall
13 supplement the spending plan information by providing a list of all
14 active contracts and grants in the department's contract system.
15 For amounts listed in the other contracts category of each spending
16 plan, the department shall provide a list of all contracts and
17 grants and amounts for the current fiscal year, and include the
18 name of the line item and the name of the fund source related to
19 each contract or grant and amount. For amounts listed in the all
20 other costs category of each spending plan, the department shall
21 provide a list detailing planned expenditures and amounts for the
22 current fiscal year, and include the name of the line item and the
23 name of the fund source related to each amount and expenditure.

24 (2) Notwithstanding any other appropriation authority granted
25 in part 1, the department shall not appropriate any additional
26 general fund/general purpose funds or any related federal and state
27 restricted funds without providing a written 30-day notice to the

1 senate and house appropriations subcommittees on the department
2 budget, the senate and house fiscal agencies, and the senate and
3 house policy offices.

4 Sec. 235. (1) The department may work with PIHPs and CMHSPs to
5 create a physical and behavioral health integrated service
6 demonstration pilot without public funds being transferred to for-
7 profit Medicaid health plans. This pilot shall not be contingent on
8 approval of a section 1115 waiver from CMS.

9 (2) This pilot program, to achieve integrated practices in
10 Michigan, shall demonstrate a successful expansion of existing
11 local and statewide integrated efforts as currently mandated by the
12 department, and shall continue to include care coordination, risk
13 stratification, data sharing, and health care technology. This
14 contractual mandate by the department shall include shared care
15 coordination between PIHP and Medicaid health plans for individuals
16 served by both entities. Care coordination shall be made possible
17 by using health-related information maintained through the
18 department's Care Connect 360 platform and health information
19 exchanges. The PIHP and Medicaid health plans shall meet monthly,
20 as required by the department, to review health information of all
21 jointly served individuals. From this group, those individuals with
22 the greatest level of need shall be identified to receive joint
23 care coordination. The PIHP and Medicaid health plans shall
24 collaborate to develop a shared care plan for each of these
25 individuals.

26 (3) It is the intent of the legislature that the pilot program
27 shall be designed to last at least 2 years.

1 (4) The pilot shall increase the number of individuals who
2 meet criteria for expanded care coordination for all individuals on
3 the stratification list provided by the department via the Care
4 Connect 360 platform. In addition, the pilot program shall expand
5 the focus of care coordination to include anyone who is identified
6 as not receiving the health care services as identified by HEDIS,
7 including, but not limited to, the following:

8 (a) Follow-up after hospitalization.

9 (b) Plan all cause readmission.

10 (c) Diabetes screening for people with schizophrenia or bi-
11 polar disorder who are using antipsychotic medications.

12 (5) The primary purpose of the pilot program is to test how
13 the state may better integrate behavioral and physical health
14 delivery systems in order to improve behavioral and physical health
15 outcomes, maximize efficiencies, minimize unnecessary costs, and
16 achieve material increases in behavioral health services without
17 increases in overall Medicaid spending. Specific outcome
18 measurements of the pilot program shall include, but are not
19 limited to, all of the following:

20 (a) Decreased emergency room visits.

21 (b) Decreased hospitalizations.

22 (c) Increased primary care or preventative services.

23 (d) Increased stable housing.

24 (e) Increased competitive employment.

25 (f) Improved HEDIS scores for the measures listed in
26 subsection (4).

27 (6) Within 90 days after completion of the pilot program

1 advanced under this section, the PIHP or CMHSP and Medicaid health
2 plans shall submit a joint 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 detailing their experiences, lessons
6 learned, the outcomes of the measurements in subsection (5), any
7 efficiencies and savings revealed for the PIHP or CMHSP and the
8 Medicaid health plans, and any increases in investment on
9 behavioral health services from the PIHP or CMHSP and the Medicaid
10 health plans.

11 Sec. 250. (1) Beginning October 1 of the current fiscal year
12 and monthly thereafter, the department shall report to the senate
13 and house appropriations subcommittees on the department budget,
14 the senate and house fiscal agencies, and the state budget office
15 on all of the following:

16 (a) Fiscal year-to-date information technology spending for
17 the current fiscal year by service and project and by line-item
18 appropriation.

19 (b) Planned information technology spending for the remainder
20 of the current fiscal year by service and project and by line-item
21 appropriation.

22 (c) Total fiscal year-to-date information technology spending
23 and planned spending for the current fiscal year by service and
24 project and by line-item appropriation.

25 (2) As used in subsection (1), "project" means all of, but not
26 limited to, the following major projects:

27 (a) Community health automated Medicaid processing system

1 (CHAMPS).

2 (b) Bridges and MiBridges eligibility determination.

3 (c) Michigan statewide automated child welfare information
4 system (MiSACWIS).

5 (d) Integrated service delivery.

6 (3) By September 30 of the current fiscal year, the
7 department, in coordination with the department of technology,
8 management, and budget, shall provide to the senate and house
9 appropriations subcommittees on the department budget, the senate
10 and house fiscal agencies, and the state budget office a financial
11 performance report that includes total information technology
12 expenditures from the previous fiscal year by fund source, total
13 information technology appropriations as a percentage of total
14 department appropriations by fund source, and a return on
15 investment, by project, for all information technology expenditures
16 in the previous fiscal year. The financial performance report shall
17 also include, for the previous 5 fiscal years, the department's
18 information technology spending compared to similar departments in
19 3 other states located in the Midwest.

20 Sec. 251. Beginning October 1, of the current fiscal year, and
21 monthly thereafter, the department shall report to the senate and
22 house appropriation subcommittees on the department budget, the
23 senate and house fiscal agencies, and the state budget office on
24 any line-item appropriation for which the department estimates
25 total annual expenditures would exceed the funds appropriated for
26 that line-item appropriation by 5% or more. The department shall
27 provide a detailed explanation for any relevant line-item

1 appropriation exceedance and shall identify the corrective actions
2 undertaken to mitigate line-item appropriation expenditures from
3 exceeding the funds appropriated for that line-item appropriation
4 by a greater amount. This section does not apply for line-item
5 appropriations that are part of the May revenue estimating
6 conference caseload and expenditure estimates.

7 Sec. 252. The appropriations in part 1 for Healthy Michigan
8 plan - behavioral health, Healthy Michigan plan administration, and
9 Healthy Michigan plan are contingent on the provisions of the
10 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
11 contained in 2013 PA 107 not being amended, repealed, or otherwise
12 altered to eliminate the Healthy Michigan plan. If that occurs,
13 then, upon the effective date of the amendatory act that amends,
14 repeals, or otherwise alters those provisions, the remaining funds
15 in the Healthy Michigan plan - behavioral health, Healthy Michigan
16 plan administration, and Healthy Michigan plan line items shall
17 only be used to pay previously incurred costs and any remaining
18 appropriations shall not be allotted to support those line items.

19 Sec. 253. (1) The department shall implement information
20 technology investment management practices that use recommendations
21 from the office of the auditor general audit number 071-0550-17.
22 The department shall form a department-based information technology
23 investment board (IT investment board). The IT investment board
24 shall include the director, the deputy director with information
25 technology responsibilities, the deputy director with budgetary and
26 financial responsibilities, and senior leadership from each
27 administration or agency within the department that uses a system

1 or program that is included in the funds appropriated in part 1.
2 The IT investment board shall create a board charter that directs
3 the department's information technology investment management
4 practices. The IT investment board shall implement the publication
5 "Information Technology Investment Management: A Framework for
6 Assessing and Improving Process Maturity" from the United States
7 Government Accountability office as the policy for the department's
8 information technology investment decisions. The department, in
9 consultation with the IT investment board, shall develop policies
10 that include, but are not limited to, the following:

11 (a) The roles and responsibilities that department staff have
12 in making information technology investment decisions.

13 (b) The criteria, policies, and best practices for selecting,
14 controlling, and evaluating information technology investments. The
15 criteria, policies, and best practices shall include a return on
16 investment to evaluate the funds appropriated in part 1 for
17 information technology.

18 (c) The authority the department has in determining
19 information technology investment decisions that are not made
20 within the department of technology, management, and budget.

21 (d) Policies to manage information technology investment
22 decisions that have a high cost or are considered a high risk to
23 the department to reduce the possibility that information
24 technology expenditures will exceed the funds appropriated in part
25 1 for information technology.

26 (2) By October 1 of the current fiscal year, the department
27 shall submit to the senate and house appropriations subcommittees

1 on the department budget, the senate and house fiscal agencies, and
2 the senate and house policy offices, a report with a copy of the IT
3 investment board charter and a list of all information technology
4 projects in which the funds appropriated in part 1 exceed
5 \$500,000.00 for the current fiscal year.

6 (3) By September 30 of the current fiscal year, the department
7 shall submit to the senate and house appropriations subcommittees
8 on the department budget, the senate and house fiscal agencies, and
9 the senate and house policy offices, a report, for any information
10 technology project that exceeded \$500,000.00, on the business needs
11 met by each project, the selection process used to select the
12 project, the documentation of the IT investment board oversight and
13 approval of the project, total project development cost, total
14 project operational and maintenance cost, total state cost, total
15 contractor cost, total non-labor cost, and the total cost of
16 ownership of the project through the current fiscal year.

17 (4) From the funds appropriated in part 1 and all available
18 federal funds for information technology services and projects, the
19 department shall contract with an independent verification
20 validation program to address the increasing information technology
21 cost and to ensure that information technology contracts are
22 meeting the policies and objectives stated in subsection (1). By
23 November 1 of the current fiscal year, the department shall
24 institute an independent verification validation program by using a
25 third-party vendor who has been approved on the state's financial
26 accounting and auditing services prequalification program. The
27 independent verification validation program vendor that is selected

1 to perform independent verification validation services shall not
2 be involved in the development of software or systems that are used
3 by the department or are under consideration to be used by the
4 department. The independent verification validation program vendor
5 selected shall have experience in information technology
6 development methodologies including information technology
7 development modalities such as: waterfall, agile, and scale agile.
8 The vendor selected shall apply information technology industry
9 audit standards and audit credentials and shall have an established
10 advisory business unit.

11 (5) The independent verification validation program shall be
12 applied to information technology projects that have funds
13 appropriated in part 1 with a contract value greater than
14 \$500,000.00 that meet at least 1 of the following criteria:

15 (a) The project spans across more than 1 administration or
16 agency.

17 (b) The project involves multiple vendors.

18 (c) The project has an aggressive schedule.

19 (d) The impact is high if the project were to fail or be
20 delayed.

21 (6) The independent verification validation program shall
22 design compliance of program governance, project management, and
23 technical delivery requirements. Additionally, the independent
24 verification validation program vendor selected shall use
25 information technology practices such as robotic process automation
26 and analytics to enable real-time identification of risks and
27 issues.

1 (7) By March 1 of the current fiscal year, the department,
2 along with the selected independent verification validation vendor,
3 shall report to the senate and house appropriations subcommittees
4 on the department budget, the senate and house fiscal agencies, and
5 senate and house policy offices on an assessment of the findings of
6 the independent verification validation program and recommendations
7 for improvements. The report shall include, but not be limited to,
8 the following items:

9 (a) Compliance with federal reporting requirements.

10 (b) Demonstration of earlier identification and resolution of
11 project risks.

12 (c) The capacity to achieve a positive return on investment
13 from information technology investments.

14 (d) The potential for accelerated time to benefit realization
15 and increased benefit sustainability.

16 (e) Improved transparency of information technology project
17 benefits and financial measures.

18 (f) A reduction in variability in the development and system
19 integration process that will lead to more predictable outcomes of
20 information technology expenditures and information technology
21 project performance.

22 (g) Identification and transfer of leading industry practices
23 for improved effectiveness and efficiency.

24 Sec. 256. If funds become available, the department shall, in
25 consultation with the Michigan department of education, the
26 Michigan domestic and sexual violence prevention and treatment
27 board, and the Michigan Coalition to End Domestic and Sexual

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(1 of 2)

1 Violence, redraft the curriculum for the "Growing Up & Staying
2 Healthy" and "Healthy & Responsible Relationships" modules to
3 include age-appropriate information about the importance of
4 consent, setting and respecting personal boundaries, and the
5 prevention of child sexual abuse as outlined in MCL 380.1505 and
6 consistent with the recommendations and guidelines set by the task
7 force on the prevention of sexual abuse of children created under
8 section 12b of the child protection law, 1975 PA 238, MCL 722.632b,
9 and the prevention of sexual assault and dating violence.

<<Sec. 257. The department shall, in consultation with the Michigan department of education, the American Foundation of Suicide Prevention, the National Alliance on Mental Illness, the Michigan Psychiatric Society, the Community Mental Health Association, and members of law enforcement, redraft the curriculum for the "Safe and Sound for Life" and "Social & Emotional Health" modules to include age-appropriate and medically accurate information about the warning signs and risk factors for suicide and depression, and the protective factors that help prevent suicide as outlined in MCL 380.1171.>>

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

21 (2) The department shall provide written reports on a
22 semiannual basis to the senate and house appropriations
23 subcommittees on the department budget, the senate and house fiscal
24 agencies, and the state budget office summarizing the status of any
25 new or ongoing discussions with CMS or the United States Department
26 of Health and Human Services or other federal agency regarding
27 potential or future waiver applications as well as the status of

1 submitted waivers that have not yet received federal approval. If,
2 at the time a semiannual report is due, there are no reportable
3 items, then no report is required to be provided.

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

7 Sec. 270. The department shall advise the legislature of the
8 receipt of a notification from the attorney general's office of a
9 legal action in which expenses had been recovered according to
10 section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.
11 By February 1 of the current fiscal year, the department shall
12 submit a written report to the house and senate appropriations
13 subcommittees on the department budget, the house and senate fiscal
14 agencies, and the state budget office that includes, at a minimum,
15 all of the following:

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

17 (b) The program or service for which the money was originally
18 expended.

19 (c) Details on the disposition of the funds recovered such as
20 the appropriation or revenue account in which the money was
21 deposited.

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

23 Sec. 274. (1) The department, in collaboration with the state
24 budget office, shall submit to the house and senate appropriations
25 subcommittees on the department budget, the house and senate fiscal
26 agencies, and the house and senate policy offices 1 week after the
27 day the governor submits to the legislature the budget for the

1 ensuing fiscal year a report on spending and revenue projections
2 for each of the capped federal funds listed below. The report shall
3 contain actual spending and revenue in the previous fiscal year,
4 spending and revenue projections for the current fiscal year as
5 enacted, and spending and revenue projections within the executive
6 budget proposal for the fiscal year beginning October 1, 2020 for
7 each individual line item for the department budget. The report
8 shall also include federal funds transferred to other departments.
9 The capped federal funds shall include, but not be limited to, all
10 of the following:

11 (a) TANF.

12 (b) Title XX social services block grant.

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

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

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

17 (2) It is the intent of the legislature that the department,
18 in collaboration with the state budget office, not utilize capped
19 federal funding for economics adjustments for FTEs or other
20 economics costs that are included as part of the budget submitted
21 to the legislature by the governor for the ensuing fiscal year,
22 unless there is a reasonable expectation for increased federal
23 funding to be available to the department from that capped revenue
24 source in the ensuing fiscal year.

25 (3) By February 15 of the current fiscal year, the department
26 shall prepare an annual report of its efforts to identify
27 additional TANF maintenance of effort sources and rationale for any

1 increases or decreases from all of the following, but not limited
2 to:

- 3 (a) Other departments.
- 4 (b) Local units of government.
- 5 (c) Private sources.

6 Sec. 275. (1) As part of the year-end closing process, the
7 department, with the approval of the state budget director, is
8 authorized to realign sources between other federal, TANF, and
9 capped federal financing authorizations in order to maximize
10 federal revenues. This realignment of financing shall not produce a
11 gross increase or decrease in the department's total individual
12 line item authorizations, nor will it produce a net increase or
13 decrease in total federal revenues, or a net increase in TANF
14 authorization.

15 (2) Within 30 days of the date on which year-end book closing
16 is completed, the department shall submit 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 offices
19 a report on the realignment of federal fund sources that took place
20 as part of the year-end closing process for the previous fiscal
21 year.

22 Sec. 279. (1) All master contracts relating to foster care and
23 adoption services as funded by the appropriations in section 105 of
24 part 1 shall be performance-based contracts that employ a client-
25 centered results-oriented process that is based on measurable
26 performance indicators and desired outcomes and includes the annual
27 assessment of the quality of services provided.

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

8 Sec. 280. By March 1 of the current fiscal year, the
9 department shall provide a report to the house and senate
10 appropriations subcommittees on the department budget, the house
11 and senate fiscal agencies, the house and senate policy offices,
12 and the state budget director that provides all of the following
13 for each line item in part 1 containing personnel-related costs,
14 including the specific individual amounts for salaries and wages,
15 payroll taxes, and fringe benefits:

16 (a) FTE authorization.

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

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

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

24 (e) A specific plan for addressing any projected shortfall for
25 personnel-related costs at either the gross or fund source level.

26 Sec. 288. (1) Beginning October 1 of the current fiscal year,
27 no less than 90% of a new department contract supported solely from

1 state restricted funds or general fund/general purpose funds and
2 designated in this part or part 1 for a specific entity for the
3 purpose of providing services to individuals shall be expended for
4 such services after the first year of the contract.

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

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

15 Sec. 289. By March 1 of the current fiscal year, the
16 department shall provide to the senate and house appropriations
17 subcommittees on the department budget, the senate and house fiscal
18 agencies, and the senate and house policy offices an annual report
19 on the supervisor-to-staff ratio by department divisions and
20 subdivisions.

21 Sec. 290. Any public advertisement for public assistance shall
22 also inform the public of the welfare fraud hotline operated by the
23 department.

24 Sec. 295. (1) From the funds appropriated in part 1 to
25 agencies providing physical and behavioral health services to
26 multicultural populations, the department shall award grants in
27 accordance with the requirements of subsection (2). The state is

1 not liable for any spending above the contract amount. Funds shall
2 not be released until reporting requirements under section 295 of
3 article X of 2018 PA 207 are satisfied.

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

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

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

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

17 (d) Each contractor or subcontractor shall demonstrate cost-
18 effectiveness.

19 (e) Each contractor or subcontractor shall ensure their
20 ability to leverage private dollars to strengthen and maximize
21 service provision.

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

25 (3) The department shall require an annual report from the
26 contractors described in subsection (2). The annual report, due 60
27 days following the end of the contract period, shall include

1 specific information on services and programs provided, the client
2 base to which the services and programs were provided, information
3 on any wraparound services provided, and the expenditures for those
4 services. The department shall provide the annual reports to the
5 senate and house appropriations subcommittees on health and human
6 services, the senate and house fiscal agencies, and the state
7 budget office.

8 Sec. 296. From the funds appropriated in part 1, the
9 department is responsible for the necessary and reasonable attorney
10 fees and costs incurred by private and independent legal counsel
11 chosen by current and former classified and unclassified department
12 employees in the defense of the employees in any state or federal
13 lawsuit or investigation related to the water system in a city or
14 community in which a declaration of emergency was issued because of
15 drinking water contamination.

16 Sec. 297. On a semiannual basis, the department shall report
17 on the number of FTEs in pay status by type of staff. The report
18 shall include a comparison by line item of the number of FTEs
19 authorized from funds appropriated in part 1 to the actual number
20 of FTEs employed by the department at the end of the reporting
21 period.

22 Sec. 298. (1) The department shall continue to implement up to
23 3 pilot projects to achieve fully financially integrated Medicaid
24 behavioral health and physical health benefit and financial
25 integration demonstration models. These demonstration models shall
26 use single contracts between the state and each licensed Medicaid
27 health plan that is currently contracted to provide Medicaid

1 services in the geographic area of the pilot project. The
2 department shall ensure that the pilot projects described in this
3 subsection are implemented in a manner that ensures at least all of
4 the following:

5 (a) That allows the CMHSP in the geographic area of the pilot
6 project to be a provider of behavioral health supports and
7 services. The department shall define specific criteria relating to
8 CMHSP "willingness" and "capacity" to provide the full array of
9 services required by section 116 of the mental health code, 1974 PA
10 258, MCL 330.1116. These criteria shall include service
11 accessibility, quality, and reasonable cost. Contracts between the
12 department and the Medicaid health plans must require that the
13 Medicaid health plans contract with CMHSPs, unless the CMHSP
14 permits contracting outside the CMHSP network. If a CMHSP does not
15 meet the willingness and capacity criteria, the department shall
16 allow the Medicaid health plans to contract outside the CMHSP
17 network for those services. Contracts outside the CMHSP network
18 shall be required to meet statutory, regulatory, and contractual
19 requirements currently in place.

20 (b) That any changes made to a Medicaid waiver or Medicaid
21 state plan to implement the pilot projects described in this
22 subsection must only be in effect for the duration of the pilot
23 programs established under section 298 of article X of 2016 PA 268.

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

27 (d) That updates are provided to the medical care advisory

1 council, behavioral health advisory council, and developmental
2 disabilities council.

3 (2) It is the intent of the legislature that each pilot
4 project and demonstration model shall be designed to last at least
5 3 years. It is the intent of the legislature that by January 31,
6 2021, the department shall provide a document to the senate and
7 house appropriations subcommittees on the department budget, the
8 senate and house fiscal agencies, the senate and house policy
9 offices, and the state budget office of the results of measures
10 developed in conjunction with the Medicaid health plans and CMHSPs
11 participating in the pilot program described in subsection (1)
12 that, if met, would trigger a full statewide, all managed care
13 populations' integration process beginning October 1, 2022. The
14 measures developed by the department, Medicaid health plans, and
15 CMHSPs must include, at a minimum, performance metrics from each of
16 the following categories:

17 (a) Improvement of the coordination between behavioral health
18 and physical health.

19 (b) Improvement of services available to individuals with
20 mental illness, intellectual or developmental disabilities, or
21 substance use disorders.

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

24 (d) Beneficiary health status.

25 (e) Beneficiary satisfaction.

26 (f) Provider network stability.

27 (g) Treatment and service efficacies before and during the

1 pilot programs and demonstration pilot, including utilization
2 measures.

3 (h) Use of best practices.

4 (i) Financial efficiencies.

5 (j) Barriers to clinical data sharing between CMHSPs and
6 Medicaid health plans.

7 (k) Any other relevant categories.

8 (3) For the duration of any pilot projects and demonstration
9 model, the department shall require that contracts between CMHSPs
10 and the Medicaid health plans within their pilot region mandate
11 that any and all realized benefits and cost savings of integrating
12 the physical health and behavioral health systems shall be
13 reinvested in services and supports for individuals having or at
14 risk of having a mental illness, an intellectual or developmental
15 disability, or a substance use disorder. Any and all realized
16 benefits and cost savings shall be specifically reinvested in the
17 pilot site where the savings occurred in accordance with the
18 Medicaid state plan and any applicable Medicaid waiver.

19 (4) It is the intent of the legislature that the primary
20 purpose of the pilot projects and demonstration model is to test
21 how the state may better integrate behavioral and physical health
22 delivery systems in order to improve behavioral and physical health
23 outcomes, maximize efficiencies, minimize unnecessary costs, and
24 achieve material increases in behavioral health services without
25 increases in overall Medicaid spending.

26 (5) The department shall continue to partner with 1 of the
27 state's research universities at least 6 months before the

1 completion of each pilot project or demonstration model authorized
2 under this section to evaluate the pilot project or demonstration
3 model. The evaluation must include all of the following:

4 (a) Information on the pilot project's or demonstration
5 model's success in meeting the performance metrics developed in
6 this subsection and information on whether the pilot project could
7 be replicated into other geographic areas with similar performance
8 metric outcomes.

9 (b) Performance metrics, at a minimum, from each of the
10 following categories:

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

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

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

18 (iv) Beneficiary health status.

19 (v) Beneficiary satisfaction.

20 (vi) Provider network stability.

21 (vii) Treatment and service efficacies before and after the
22 pilot projects and demonstration model.

23 (viii) Use of best practices.

24 (ix) Financial efficiencies.

25 (x) Barriers to clinical data sharing with Medicaid health
26 plans.

27 (xi) Any other relevant categories.

1 (c) A requirement that the evaluation shall be completed
2 within 6 months after the end of each pilot project or
3 demonstration model and will be provided to the department, the
4 house and senate appropriations subcommittees on the department
5 budget, the house and senate fiscal agencies, the house and senate
6 policy offices, and the state budget office.

7 (6) By November 1 of the current fiscal year, the department
8 shall report to the house and senate appropriations subcommittees
9 on the department budget, the house and senate fiscal agencies, the
10 house and senate policy offices, and the state budget office on the
11 progress toward implementation of the pilot projects and
12 demonstration model described in this section, and a summary of all
13 projects. The report shall also include information on policy
14 changes and any other efforts made to improve the coordination of
15 supports and services for individuals having or at risk of having a
16 mental illness, an intellectual or developmental disability, a
17 substance use disorder, or a physical health need.

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

1 or discontinuation.

2 Sec. 299. (1) No state department or agency shall issue a
3 request for proposal (RFP) for a contract in excess of
4 \$5,000,000.00, unless the department or agency has first considered
5 issuing a request for information (RFI) or a request for
6 qualification (RFQ) relative to that contract to better enable the
7 department or agency to learn more about the market for the
8 products or services that are the subject of the RFP. The
9 department or agency shall notify the department of technology,
10 management, and budget of the evaluation process used to determine
11 if an RFI or RFQ was not necessary prior to issuing the RFP.

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

(3) The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by September 30 of the current fiscal year a report that summarizes all RFPs during the current fiscal year where an existing service received proposals by multiple vendors. The report shall list all finalized RFPs where there was a divergence from awarding the contract to the lowest cost or highest scoring vendor. The report shall also include the cost or service threshold required by department policy that must be satisfied in order for an existing contract to be received by a new vendor.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

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

1 January 2005.

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

5 (4) Michigan 2-1-1 shall report annually to the department and
6 the house and senate standing committees with primary jurisdiction
7 over matters relating to human services and telecommunications on
8 2-1-1 system performance, the senate and house appropriations
9 subcommittees on the department budget, and the senate and house
10 fiscal agencies, including, but not limited to, call volume by
11 health and human service needs and unmet needs identified through
12 caller data and number and percentage of callers referred to public
13 or private provider types.

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

20 Sec. 317. From the funds appropriated in part 1 for
21 developmental disabilities council and projects, \$100.00 is
22 appropriated to support the objectives stated in Executive Order
23 No. 2015-15, by providing the service provider community with
24 technical assistance in the process of provider transformation
25 among community rehabilitation organizations and restructuring the
26 reimbursement rates for employment supports and services among
27 those who provide job preparation, job placement, and job retention

1 supports and services. Additionally, the department shall ensure
2 technical assistance to promote seamless transition outcomes from
3 education to employment for individuals with disabilities and
4 providing education and outreach to clients and their families,
5 including information on benefits coordination and planning for the
6 promotion of successful employment outcomes.

7 Sec. 333. From the funds appropriated in part 1 for community
8 services and outreach administration, \$100.00 shall be awarded to a
9 nonprofit organization that currently provides career connections,
10 food distribution, and community building throughout the state in
11 order to support workforce program and training activities in
12 multiple cities and has a spending and operation plan developed by
13 April 1, 2017 in consultation with Michigan businesses and the
14 Michigan economic development corporation.

15 **CHILD SUPPORT ENFORCEMENT**

16 Sec. 401. (1) The appropriations in part 1 assume a total
17 federal child support incentive payment of \$26,000,000.00.

18 (2) From the federal money received for child support
19 incentive payments, \$11,500,000.00 shall be retained by the state
20 and expended for child support program expenses.

21 (3) From the federal money received for child support
22 incentive payments, \$14,500,000.00 shall be paid to counties based
23 on each county's performance level for each of the federal
24 performance measures as established in 45 CFR 305.2.

25 (4) If the child support incentive payment to the state from
26 the federal government is greater than \$26,000,000.00, then 100% of

1 the excess shall be retained by the state and is appropriated until
2 the total retained by the state reaches \$15,397,400.00.

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

8 (6) If the child support incentive payment to the state from
9 the federal government is less than \$26,000,000.00, then the state
10 and county share shall each be reduced by 50% of the shortfall.

11 Sec. 409. (1) If statewide retained child support collections
12 exceed \$38,300,000.00, 75% of the amount in excess of
13 \$38,300,000.00 is appropriated to legal support contracts. This
14 excess appropriation may be distributed to eligible counties to
15 supplement and not supplant county title IV-D funding.

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

22 Sec. 410. (1) If title IV-D-related child support collections
23 are escheated, the state budget director is authorized to adjust
24 the sources of financing for the funds appropriated in part 1 for
25 legal support contracts to reduce federal authorization by 66% of
26 the escheated amount and increase general fund/general purpose
27 authorization by the same amount. This budget adjustment is

1 required to offset the loss of federal revenue due to the escheated
2 amount being counted as title IV-D program income in accordance
3 with federal regulations at 45 CFR 304.50.

4 (2) The department shall notify the chairs of the house and
5 senate appropriations subcommittees on the department budget and
6 the house and senate fiscal agencies within 15 days of the
7 authorization adjustment in subsection (1).

8 Sec. 411. From funds appropriated in part 1 for child support
9 incentive payments, the department shall allocate 100% of the
10 Medicaid cash medical support incentive to counties and shall not
11 consider incentive payments as program income for purposes of the
12 office of child support program.

13 **COMMUNITY SERVICES AND OUTREACH**

14 Sec. 450. (1) From the funds appropriated in part 1 for school
15 success partnership program, the department shall allocate
16 \$525,000.00 by December 1 of the current fiscal year to support the
17 Northeast Michigan Community Service Agency programming, which will
18 take place in each county in the Governor's Prosperity Region 3.
19 The department shall require the following performance objectives
20 be measured and reported for the duration of the state funding for
21 the school success partnership program:

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

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

26 (c) Identifying barriers to attendance and success and

1 connecting families with resources to reduce these barriers.

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

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

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

18 Sec. 453. From the funds appropriated in part 1 for homeless
19 programs, the department shall maintain emergency shelter program
20 per diem rates at \$16.00 per bed night to support efforts of
21 shelter providers to move homeless individuals and households into
22 permanent housing as quickly as possible. Expected outcomes are
23 increased shelter discharges to stable housing destinations,
24 decreased recidivism rates for shelter clients, and a reduction in
25 the average length of stay in emergency 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 Sec. 456. From the funds appropriated in part 1 for homeless
19 and housing programs, the department shall allocate \$90,000.00 to
20 reimburse public service agencies that provide documentation of
21 paying birth certificate fees on behalf of category 1 homeless
22 clients at county clerk's offices. Public service agencies shall be
23 reimbursed for the cost of the birth certificate fees quarterly
24 until this allocation is fully spent.

25 Sec. 457. (1) From the funds appropriated in part 1 for the
26 uniform statewide sexual assault evidence kit tracking system, in
27 accordance with the final report of the Michigan sexual assault

1 evidence kit tracking and reporting commission, \$800,000.00 is
2 allocated from the sexual assault evidence tracking fund to
3 contract for implementation of a uniform statewide sexual assault
4 evidence kit tracking system. The system shall include the
5 following:

6 (a) A uniform statewide system to track the submission and
7 status of sexual assault evidence kits.

8 (b) A uniform statewide system to audit untested kits that
9 were collected on or before March 1, 2015 and were released by
10 victims to law enforcement.

11 (c) Secure electronic access for victims.

12 (d) The ability to accommodate concurrent data entry with kit
13 collection through various mechanisms, including web entry through
14 computer or smartphone, and through scanning devices.

15 (2) By March 30 of the current fiscal year, the department
16 shall submit to the senate and house appropriations subcommittees
17 on the department budget, the senate and house fiscal agencies, the
18 senate and house policy offices, and the state budget office a
19 status report on implementation and operation of the uniform
20 statewide sexual assault evidence kit tracking system, including
21 operational status and any known issues regarding implementation.

22 (3) The sexual assault evidence tracking fund established in
23 section 1451 of 2017 PA 158 shall continue to be maintained in the
24 department of treasury. Money in the sexual assault evidence
25 tracking fund at the close of a fiscal year shall remain in the
26 sexual assault evidence tracking fund and shall not revert to the
27 general fund and shall be appropriated as provided by law for the

1 development and implementation of a uniform statewide sexual
2 assault evidence kit tracking system as described in subsection
3 (1).

4 (4) By September 30 of the current fiscal year, the department
5 shall submit to the senate and house appropriations subcommittees
6 on the department budget, the senate and house fiscal agencies, the
7 senate and house policy offices, and the state budget office a
8 report on the findings of the annual audit of the proper submission
9 of sexual assault evidence kits as required by the sexual assault
10 kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.
11 The report must include, but is not limited to, a detailed county-
12 by-county compilation of the number of sexual assault evidence kits
13 that were properly submitted and the number that met or did not
14 meet deadlines established in the sexual assault kit evidence
15 submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of
16 sexual assault evidence kits retrieved by law enforcement after
17 analysis, and the physical location of all released sexual assault
18 evidence kits collected by health care providers in that year, as
19 of the date of the annual draft report for each reporting agency.

20 Sec. 458. From the funds appropriated in part 1 for crime
21 victim rights services grants, the department shall allocate
22 \$2,000,000.00 of crime victim's rights fund to increase grant
23 funding to support the further use of crime victim advocates in the
24 criminal justice system. The purpose of the additional funding is
25 to increase available grant funding for crime victim advocates to
26 ensure that the advocates have the resources, training, and funding
27 needed to respond to the physical and emotional needs of crime

1 victims and to provide victims with the necessary services,
2 information, and assistance in order to help them understand and
3 participate in the criminal justice system and experience a measure
4 of safety and security throughout the legal process.

5 Sec. 459. (1) Funding appropriated in part 1 for campus sexual
6 assault prevention and education initiative shall be used to
7 provide and administer grants to public or nonpublic community
8 colleges, colleges, universities, and high schools with a physical
9 presence in this state to address campus sexual assault issues in
10 order to improve the safety and security of students, faculty, and
11 staff in campus environments in this state.

12 (2) Grant funds awarded shall support sexual assault programs,
13 including education, awareness, prevention, reporting, bystander
14 intervention programs, peer advocacy groups, and student
15 organizations dedicated to campus sexual assault prevention and
16 other actions covered by title IX protections.

17 (3) The department shall report on grant activities to the
18 senate and house appropriations subcommittees on the department
19 budget, the senate and house appropriations subcommittees on higher
20 education, the senate and house fiscal agencies, and the state
21 budget office by February 28, 2020.

22 (4) The unexpended portion of funds appropriated in part 1 for
23 the campus sexual assault prevention and education initiative is
24 designated as a work project appropriation. Any unencumbered or
25 unallotted funds shall not lapse at the end of the fiscal year and
26 shall be available for expenditure for the project under this
27 section until the project has been completed. The following is in

1 compliance with section 451a(1) of the management and budget act,
2 1984 PA 431, MCL 18.1451a:

3 (a) The purpose of the project is to provide grants for sexual
4 assault education, awareness, prevention, reporting, bystander
5 intervention programs, peer advocacy groups, and student
6 organizations dedicated to campus sexual assault prevention and
7 other actions covered by title IX protections. The student
8 organizations may be provided funds to support and develop advocacy
9 groups and act on issues related to prevention of sexual assault,
10 including, but not limited to, student outreach, supporting
11 survivors of sexual assault, and advocating for campus improvements
12 such as additional lighting.

13 (b) The project will be accomplished by grants to eligible
14 community colleges, colleges, universities, and high schools.

15 (c) The total estimated cost of the project is \$1,321,700.00.

16 (d) The estimated completion date is September 30, 2024.

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

18 Sec. 501. (1) A goal is established that not more than 25% of
19 all children in foster care at any given time during the current
20 fiscal year, if in the best interest of the child, will have been
21 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 review, update, or develop actuarially
13 sound case rates for necessary child welfare foster care case
14 management services that achieve permanency by the department and
15 private child placing agencies in a prospective payment system
16 under a performance-based funding model.

17 (2) By March 1 of the current fiscal year, the department
18 shall provide to the senate and house appropriations committees on
19 the department budget, the senate and house fiscal agencies and
20 policy offices, and the state budget office a report on the full
21 cost analysis of the performance-based funding model. The report
22 shall include background information on the project and give
23 details about the contractual costs covered through the case rate.

24 (3) In accordance with the final report of the Michigan child
25 welfare performance-based funding task force issued in response to
26 section 503 of article X of 2013 PA 59, the department shall
27 continue an independent, third-party evaluation of the performance-

1 based funding model.

2 (4) The department shall only implement the performance-based
3 funding model into additional counties where the department,
4 private child welfare agencies, the county, and the court operating
5 within that county have signed a memorandum of understanding that
6 incorporates the intentions of the concerned parties in order to
7 implement the performance-based funding model.

8 (5) The department, in conjunction with members from both the
9 house of representatives and senate, private child placing
10 agencies, the courts, and counties shall continue to implement the
11 recommendations that are described in the workgroup report that was
12 provided in section 503 of article X of 2013 PA 59 to establish a
13 performance-based funding for public and private child welfare
14 services providers. The department shall provide quarterly reports
15 on the status of the performance-based contracting model to the
16 senate and house appropriations subcommittees on the department
17 budget, the senate and house standing committees on families and
18 human services, and the senate and house fiscal agencies and policy
19 offices.

20 (6) From the funds appropriated in part 1 for the performance-
21 based funding model pilot, the department shall continue to work
22 with the West Michigan Partnership for Children Consortium on the
23 implementation of the performance-based funding model pilot. The
24 consortium shall accept and comprehensively assess referred youth,
25 assign cases to members of its continuum or leverage services from
26 other entities, and make appropriate case management decisions
27 during the duration of a case. The consortium shall operate an

1 integrated continuum of care structure, with services provided by
2 both private and public agencies, based on individual case needs.
3 The consortium shall demonstrate significant organizational
4 capacity and competencies, including experience with managing risk-
5 based contracts, financial strength, experienced staff and
6 leadership, and appropriate governance structure.

7 Sec. 504. (1) The department may continue a master agreement
8 with the West Michigan Partnership for Children Consortium for a
9 performance-based child welfare contracting pilot program. The
10 consortium shall consist of a network of affiliated child welfare
11 service providers that will accept and comprehensively assess
12 referred youth, assign cases to members of its continuum or
13 leverage services from other entities, and make appropriate case
14 management decisions during the duration of a case.

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

18 (3) By March 1 of the current fiscal year, the consortium
19 shall provide to the department and the house and senate
20 appropriations subcommittees on the department budget a report on
21 the consortium, including, but not limited to, actual expenditures,
22 number of children placed by agencies in the consortium, fund
23 balance of the consortium, and the status of the consortium
24 evaluation.

25 Sec. 505. (1) From the funds appropriated in part 1 for county
26 child care fund by October 1 of the current fiscal year, the
27 department and Wayne County shall provide to the senate and house

1 appropriations subcommittees on the department budget, the senate
2 and house fiscal agencies and policy offices, and the state budget
3 office a report for youth referred or committed to the department
4 for care or supervision in the previous fiscal year outlining the
5 number of youth served by the department within the juvenile
6 justice system, the type of setting for each youth, performance
7 outcomes, and financial costs or savings.

8 (2) The department shall not allocate funds appropriated in
9 part 1 for county child care fund to the county identified in
10 subsection (1) until the reporting requirements in subsection (1)
11 are satisfied.

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

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

22 (2) The department and the child abuse and neglect prevention
23 board shall collaborate to ensure that administrative delays are
24 avoided and the local grant recipients and direct service providers
25 receive money in an expeditious manner. The department and board
26 shall make available the children's trust fund contract funds to
27 grantees within 31 days of the start date of the funded project.

1 Sec. 511. The department shall provide reports on a semiannual
2 basis to the senate and house appropriations subcommittees on the
3 department budget, the senate and house standing committees on
4 families and human services, and the senate and house fiscal
5 agencies and policy offices on the number and percentage of
6 children who received an initial medical and mental health
7 examination within 30 days after entry into foster care. The goal
8 of the program is that at least 85% of children receive timely
9 physical and mental health examinations after entry into foster
10 care.

11 Sec. 512. (1) As required by the settlement, by March 1 of the
12 current fiscal year, the department shall report to the senate and
13 house appropriations subcommittees on the department budget, the
14 senate and house fiscal agencies, the senate and house policy
15 offices, and the state budget office on the following information
16 for cases of child abuse or child neglect from the previous fiscal
17 year:

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

19 (b) The total number of relatives with a placement who became
20 licensed.

21 (c) The number of waivers of foster care licensure granted to
22 relative care providers.

23 (d) The number of waivers of foster care denied to relative
24 care providers.

25 (e) A list of the reasons from a sample of cases the
26 department denied granting a waiver of foster care licensure for a
27 relative care provider.

1 (f) A list of the reasons from a sample of cases where
2 relatives were declined foster care licensure as documented by the
3 department.

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

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

8 (b) The caseworker has assessed the relative and the
9 relative's home using the department's initial relative safety
10 screen and the department's relative home assessment and has
11 determined that the relative's home is safe and placement there is
12 in the child's best interest.

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

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

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

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

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

26 (e) The department has done an on-site visit to the out-of-
27 state facility, reviewed the facility records, reviewed licensing

1 records and reports on the facility, and believes that the facility
2 is an appropriate placement for the child.

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

6 (3) The department shall submit an annual report to the state
7 court administrative office, the house and senate appropriations
8 subcommittees on the department budget, the house and senate fiscal
9 agencies, the house and senate policy offices, and the state budget
10 office on the number of Michigan children residing in out-of-state
11 facilities on the last day of the previous fiscal year, the total
12 cost and average per diem cost of these out-of-state placements to
13 this state, and a list of each such placement arranged by the
14 Michigan county of residence for each child.

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

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

22 (i) The total number of reports of child abuse or child
23 neglect investigated under the child protection law, 1975 PA 238,
24 MCL 722.621 to 722.638, and the number of cases classified under
25 category I or category II and the number of cases classified under
26 category III, category IV, or category V.

27 (ii) Characteristics of perpetrators of child abuse or child

1 neglect and the child victims, such as age, relationship, race, and
2 ethnicity and whether the perpetrator exposed the child victim to
3 drug activity, including the manufacture of illicit drugs, that
4 exposed the child victim to substance abuse, a drug house, or
5 methamphetamine.

6 (iii) The mandatory reporter category in which the individual
7 who made the report fits, or other categorization if the individual
8 is not within a group required to report under the child protection
9 law, 1975 PA 238, MCL 722.621 to 722.638.

10 (iv) The number of cases that resulted in the separation of
11 the child from the parent or guardian and the period of time of
12 that separation, up to and including termination of parental
13 rights.

14 (v) For the reported complaints of child abuse or child
15 neglect by teachers, school administrators, and school counselors,
16 the number of cases classified under category I or category II and
17 the number of cases classified under category III, category IV, or
18 category V.

19 (vi) For the reported complaints of child abuse or child
20 neglect by teachers, school administrators, and school counselors,
21 the number of cases that resulted in separation of the child from
22 the parent or guardian and the period of time of that separation,
23 up to and including termination of parental rights.

24 (b) New policies related to children's protective services
25 including, but not limited to, major policy changes and court
26 decisions affecting the children's protective services system
27 during the immediately preceding 12-month period. The report shall

1 also include a summary of the actions undertaken and applicable
2 expenditures to achieve compliance with the office of the auditor
3 general audit number 431-1285-16.

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

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

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

10 (iii) The number of cases in category III referred to
11 voluntary community services and monitored for up to 90 days.

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

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

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

19 (vii) The number of cases in category III that the department
20 reclassified from category III to category I that resulted in a
21 removal.

22 (d) The department policy, or changes to the department
23 policy, regarding children who have been exposed to the production
24 or manufacture of methamphetamines.

25 Sec. 516. From funds appropriated in part 1 for county child
26 care fund, the administrative or indirect cost payment equal to 10%
27 of a county's total monthly gross expenditures shall be distributed

1 to the county on a monthly basis and a county is not required to
2 submit documentation to the department for any of the expenditures
3 that are covered under the 10% payment as described in section
4 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL
5 400.117a.

6 Sec. 517. The department shall retain the same title IV-E
7 appeals policy in place as of the fiscal year ending September 30,
8 2017.

9 Sec. 519. The department shall permit any private agency that
10 has an existing contract with this state to provide foster care
11 services to be also eligible to provide treatment foster care
12 services.

13 Sec. 520. The department shall submit a report to the house
14 and senate appropriations subcommittees on the department budget,
15 the house and senate fiscal agencies, the house and senate policy
16 offices, and the state budget office by February 15 of the current
17 fiscal year on the number of days of care and expenditures by
18 funding source for the previous fiscal year for out-of-home
19 placements by specific placement programs for child abuse or child
20 neglect and juvenile justice, including, but not limited to, paid
21 relative placement, department direct family foster care, private
22 agency supervised foster care, private child caring institutions,
23 county-supervised facilities, court-supervised facilities, and
24 independent living. The report shall also include the number of
25 days of care for department-operated residential juvenile justice
26 facilities by security classification.

27 Sec. 522. (1) From the funds appropriated in part 1 for youth

1 in transition, the department shall allocate \$750,000.00 for
2 scholarships through the fostering futures scholarship program in
3 the Michigan education trust to youths who were in foster care
4 because of child abuse or child neglect and are attending a college
5 or a career technical educational institution located in this
6 state. Of the funds appropriated, 100% shall be used to fund
7 scholarships for the youths described in this section.

8 (2) By March 1 of the current fiscal year, the department
9 shall provide a report to the senate and house appropriations
10 subcommittees on the department budget, the senate and house fiscal
11 agencies, the senate and house policy offices, and the state budget
12 office that includes the number of youths who received scholarships
13 and the amount of each scholarship, and the total amount of funds
14 spent or encumbered in the current fiscal year.

15 Sec. 523. (1) By February 15 of the current fiscal year, the
16 department shall submit to the senate and house appropriations
17 subcommittees on the department budget, the senate and house fiscal
18 agencies, the senate and house policy offices, and the state budget
19 office a report on the families first, family reunification, and
20 families together building solutions family preservation programs.
21 The report shall provide population and outcome data based on
22 contractually required follow-up evaluations for families who
23 received family preservation services and shall include information
24 for each program on any innovations that may increase child safety
25 and risk reduction.

26 (2) From the funds appropriated in part 1 for youth in
27 transition and domestic violence prevention and treatment, the

1 department is authorized to make allocations of TANF funds only to
2 agencies that report necessary data to the department for the
3 purpose of meeting TANF eligibility reporting requirements.

4 Sec. 524. As a condition of receiving funds appropriated in
5 part 1 for strong families/safe children, counties must submit the
6 service spending plan to the department by October 1 of the current
7 fiscal year for approval. The department shall approve the service
8 spending plan within 30 calendar days after receipt of a properly
9 completed service spending plan.

10 Sec. 525. The department shall implement the same on-site
11 evaluation processes for privately operated child welfare and
12 juvenile justice residential facilities as is used to evaluate
13 state-operated facilities. Penalties for noncompliance shall be the
14 same for privately operated child welfare and juvenile justice
15 residential facilities and state-operated facilities.

16 Sec. 527. With the approval of the settlement monitor, for the
17 purposes of calculating adoption worker caseloads for private child
18 placing agencies, the department shall exclude the following case
19 types:

20 (a) Cases in which there are multiple applicants as that term
21 is defined in section 22(e) of chapter X of the probate code of
22 1939, 1939 PA 288, MCL 710.22, also known as a competing party
23 case, in which the case has a consent motion pending from
24 Michigan's children's institute or the court for more than 30 days.

25 (b) Cases in which a birth parent has an order or motion for a
26 rehearing or an appeal as of right that has been pending for more
27 than 15 days.

1 Sec. 531. The department shall notify the house and senate
2 appropriations subcommittees on the department budget, the house
3 and senate fiscal agencies, and the house and senate policy offices
4 of any changes to a child welfare master contract template,
5 including the adoption master contract template, the independent
6 living plus master contract template, the child placing agency
7 foster care master contract template, and the residential foster
8 care juvenile justice master contract template, not less than 30
9 days before the change takes effect.

10 Sec. 532. The department, in collaboration with
11 representatives of private child and family agencies, shall revise
12 and improve the annual licensing review process and the annual
13 contract compliance review process for child placing agencies and
14 child caring institutions. The improvement goals shall be safety
15 and care for children. Improvements to the review process shall be
16 directed toward alleviating administrative burdens so that agency
17 resources may be focused on children. The revision shall include
18 identification of duplicative staff activities and information
19 sought from child placing agencies and child caring institutions in
20 the annual review process. The department shall report to the
21 senate and house appropriations subcommittees on the department
22 budget, the senate and house fiscal agencies and policy offices,
23 and the state budget director on or before January 15 of the
24 current fiscal year on the findings of the annual licensing review
25 and include summaries of actions undertaken to revise, improve, and
26 identify weaknesses in the current annual licensing process and
27 annual contract compliance.

1 Sec. 533. The department shall make payments to child placing
2 facilities for in-home and out-of-home care services and adoption
3 services within 30 days of receiving all necessary documentation
4 from those agencies. It is the intent of the legislature that the
5 burden of ensuring that these payments are made in a timely manner
6 and no payments are in arrears is upon the department.

7 Sec. 534. The department shall submit to the senate and house
8 appropriations subcommittees on the department budget, the senate
9 and house fiscal agencies, the senate and house policy offices, and
10 the state budget office by March 1 of the current fiscal year a
11 report on the adoption subsidies expenditures from the previous
12 fiscal year. The report shall include, but is not limited to, the
13 range of annual adoption support subsidy amounts, for both title
14 IV-E eligible cases and state-funded cases, paid to adoptive
15 families, the number of title IV-E and state-funded cases, the
16 number of cases in which the adoption support subsidy request of
17 adoptive parents for assistance was denied by the department, and
18 the number of adoptive parents who requested a redetermination of
19 adoption support subsidy.

20 Sec. 535. The department shall seek federal title IV-E claims
21 for foster care maintenance payments and foster care administrative
22 payments for department approved placements associated with the
23 department's compliance with *D.O. v Glisson*, 847 F3d 374 (CA 6,
24 2017).

25 Sec. 536. By March 1 of the current fiscal year, the
26 department shall submit to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal

1 agencies, and the policy offices a report on the status of the
2 department's planned and achieved implementation of the federal
3 family first prevention services act, Public Law 115-123. The
4 report shall include, but not be limited to, an estimate of the 5-
5 year spending plan for administrative and compliance costs,
6 information regarding compliance with title IV-E prevention
7 requirements, the status of statewide compliance with the qualified
8 residential treatment program requirements, the department's
9 conformity with federal model licensing standards, the department's
10 plan for tracking and preventing child maltreatment deaths, and the
11 department's plan for extending John H. Chaffee foster care
12 independence programs up to age 23.

13 Sec. 537. (1) The department, in collaboration with child
14 placing agencies, shall develop a strategy to implement section
15 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The
16 strategy shall include a requirement that a department caseworker
17 responsible for preparing a recommendation to a court concerning a
18 juvenile placement shall provide, as part of the recommendation,
19 information regarding the requirements of section 115o of the
20 social welfare act, 1939 PA 280, MCL 400.115o.

21 (2) By March 1 of the current fiscal year, the department
22 shall provide to the senate and house appropriations subcommittees
23 on the department budget, the senate and house fiscal agencies, the
24 senate and house policy offices, and the state budget office a
25 report on the strategy described in subsection (1).

26 Sec. 538. By October 1 of the current fiscal year, the
27 department shall submit to the senate and house appropriations

1 subcommittees on the department budget, the senate and house fiscal
2 agencies, and the policy offices a report on the status of the
3 department's program improvement plan associated with round 3 of
4 the child and family services review (CFSR). The report shall also
5 include, but not be limited to, a specific and detailed plan to
6 address the areas of substantial nonconformity identified in the
7 CFSR such as the inadequacy of caseworker training provided by the
8 department, the estimated costs necessary to reduce travel time for
9 service delivery to rural areas, plans to improve caseworker
10 engagement to reduce maltreatment in care, and steps undertaken by
11 the department to emphasize permanency in case planning.

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

22 Sec. 546. (1) From the funds appropriated in part 1 for foster
23 care payments and from child care fund, the department shall pay
24 providers of general foster care, independent living, and trial
25 reunification services not less than a \$46.20 administrative rate.

26 (2) From the funds appropriated in part 1, the department
27 shall pay providers of independent living plus services statewide

1 per diem rates for staff-supported housing and host-home housing
2 based on proposals submitted in response to a solicitation for
3 pricing. The independent living plus program provides staff-
4 supported housing and services for foster youth ages 16 through 19
5 who, because of their individual needs and assessments, are not
6 initially appropriate for general independent living foster care.

7 (3) If required by the federal government to meet title IV-E
8 requirements, providers of foster care services shall submit
9 quarterly reports on expenditures to the department to identify
10 actual costs of providing foster care services.

11 (4) From the funds appropriated in part 1, the department
12 shall maintain the rates in place on September 30, 2019 for each
13 private provider of residential services.

14 Sec. 547. (1) From the funds appropriated in part 1 for the
15 guardianship assistance program, the department shall pay a minimum
16 rate that is not less than the approved age-appropriate payment
17 rates for youth placed in family foster care.

18 (2) The department shall report quarterly to the state budget
19 office, the senate and house appropriations subcommittees on the
20 department budget, the senate and house fiscal agencies, and the
21 senate and house policy offices on the number of children enrolled
22 in the guardianship assistance and foster care - children with
23 serious emotional disturbance waiver programs.

24 Sec. 550. (1) The department shall not offset against
25 reimbursement payments to counties or seek reimbursement from
26 counties for charges that were received by the department more than
27 12 months before the department seeks to offset against

1 reimbursement. A county shall not request reimbursement for and
2 reimbursement payments shall not be paid for a charge that is more
3 than 12 months after the date of service or original status
4 determination when initially submitted by the county.

5 (2) All service providers shall submit a request for payment
6 within 12 months after the date of service. Any request for payment
7 submitted 12 months or more after the date of service requires the
8 provider to submit an exception request to the county or the
9 department for approval or denial.

10 (3) The county is not subject to any offset, chargeback, or
11 reimbursement liability for prior expenditures resulting from an
12 error in foster care fund source determinations.

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

17 Sec. 552. Sixty days after a county's child care fund on-site
18 review is completed, the department shall provide the results of
19 the review to the county. The department shall not evaluate the
20 relevancy, quality, effectiveness, efficiency, or impact of the
21 services provided to youth of the county's child care fund programs
22 in the review. Pursuant to state law, the department shall not
23 release the results of the review to a third-party without the
24 permission of the county being reviewed.

25 Sec. 558. From the funds appropriated in part 1 for child
26 welfare institute, by January 1 of the current fiscal year, the
27 department shall provide all the necessary training and materials

1 to designated private child placing agency staff in order for all
2 pre-service training requirements specified by the settlement to be
3 completed by private child placing agency staff at agency
4 facilities. It shall be department policy that the designated
5 private child placing agency staff trained by the department to
6 deliver training are authorized to deliver pre-service training to
7 any private child placing agency staff, regardless of agency. This
8 section does not modify or amend current licensing, certification,
9 or subject matter standards required by federal law, state law, or
10 the settlement.

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 transfer of medical passports for children in foster
4 care, including the following:

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

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

11 (c) The implementation steps that have been taken to improve
12 the outcomes for the measures in subdivision (a).

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

18 Sec. 573. (1) From the funds appropriated in part 1 for foster
19 care payments and county child care fund, the department shall
20 allocate \$100.00 to pay providers of foster care services a per
21 diem daily administrative rate for every case on a caseworker's
22 caseload for the duration of a case from referral acceptance to the
23 discharge of wardship.

24 (2) The department shall continue a workgroup to determine an
25 equitable and fair method to compensate private child placing
26 agencies for case management and services provided to children for
27 which private child placing agencies are not paid an administrative

1 rate. The members of the workgroup shall include, but not be
2 limited to, the department, representatives from the Michigan
3 Federation for Children and Families, representatives from the
4 Association of Accredited Child and Family Agencies,
5 representatives from contracted private child placing agencies, and
6 members of the senate and the house of representatives. The
7 workgroup shall, at a minimum, provide an update on the possibility
8 of implementing any of the following items that the workgroup
9 considers feasible:

10 (a) A consensus agreement on the definition of an unpaid
11 foster care case.

12 (b) A determination of the optimal way to provide compensation
13 that is suitable for private child placing agencies for the case
14 management of a child who, as described by department policy as of
15 September 30 of the previous fiscal year, is not in foster care and
16 for whom the private child placing agency does not receive an
17 administrative rate, but, as of September 30 of the previous fiscal
18 year, who was factored into the calculation of caseloads for a
19 foster care worker as described by the settlement. The department
20 shall provide an estimate of the costs to compensate private child
21 placing agencies for cases in which the private child placing
22 agency has been assigned primary case management, but are not
23 currently compensated for.

24 (c) The status of an indirect or administrative payment to
25 compensate private child placing agencies for the case management
26 of a child who, as described by department policy as of September
27 30 of the previous fiscal year, is not in foster care and does not

1 receive an administrative rate, but, as of September 30 of the
2 previous fiscal year, who was factored into the calculation of
3 caseloads for a foster care worker as described by the settlement.

4 (3) The department and the participants in the workgroup
5 described in subsection (2) shall complete the determination by
6 March 1 of the current fiscal year and shall provide a copy of the
7 workgroup's determination to all workgroup members.

8 (4) The department shall complete an actuarial study to review
9 case rates paid to private child placing agencies every even-
10 numbered year.

11 (5) The department shall submit a request to the settlement
12 monitor to define caseload ratios in the settlement to only include
13 active cases or to designate a zero case weight for cases that are
14 routed for case closure but remain open to complete administrative
15 activities.

16 Sec. 574. (1) From the funds appropriated in part 1 for foster
17 care payments, \$2,000,000.00 is allocated to support performance-
18 based contracts with child placing agencies to facilitate the
19 licensure of relative caregivers as foster parents. Agencies shall
20 receive \$4,500.00 for each facilitated licensure if completed
21 within 180 days after case acceptance, or, if a waiver was
22 previously approved, 180 days from the referral date. If the
23 facilitated licensure, or approved waiver, is completed after 180
24 days, the agency shall receive up to \$3,500.00. The agency
25 facilitating the licensure would retain the placement and continue
26 to provide case management services for the newly licensed cases
27 for which the placement was appropriate to the agency. The 180-day

1 period shall not include any delay due to actions solely in the
2 control of the department as accounted for by the child placing
3 agency assisting with licensure.

4 (2) From the funds appropriated for foster care payments,
5 \$375,000.00 is allocated to support family incentive grants to
6 private and community-based foster care service providers to assist
7 with home improvements or payment for physical exams for applicants
8 needed by foster families to accommodate foster children.

9 Sec. 583. By March 1 of the current fiscal year, the
10 department shall provide to the senate and house appropriations
11 subcommittees on the department budget, the senate and house
12 standing committees on families and human services, the senate and
13 house fiscal agencies and policy offices, and the state budget
14 office a report that includes:

15 (a) The number and percentage of foster parents that dropped
16 out of the program in the previous fiscal year and the reasons the
17 foster parents left the program and how those figures compare to
18 prior fiscal years.

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

22 Sec. 585. The department shall make available at least 1 pre-
23 service training class each month in which new caseworkers for
24 private foster care and adoption agencies can enroll.

25 Sec. 586. From the funds appropriated in part 1 for foster
26 care taskforce, the department shall allocate \$50,000.00 to cover
27 the necessary expenses of the foster care taskforce and be used to

1 reimburse commission members for reasonable, actual, and necessary
2 expenses incurred in the performance of their duties.

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) By October 1 of the current fiscal year, department shall
11 submit to the senate and house appropriations subcommittees on the
12 department budget, the senate and house fiscal agencies, and the
13 policy offices a detailed plan that will terminate and dismiss with
14 prejudice the settlement by September 30 of the current fiscal
15 year.

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

25 Sec. 594. From the funds appropriated in part 1 for foster
26 care payments, the department shall support regional resource teams
27 to provide for the recruitment, retention, and training of foster

1 and adoptive parents and shall expand the Michigan youth
2 opportunities initiative to all Michigan counties. The purpose of
3 this funding is to increase the number of annual inquiries from
4 prospective foster parents, increase the number of nonrelative
5 foster homes that achieve licensure each year, increase the annual
6 retention rate of nonrelative foster homes, reduce the number of
7 older foster youth placed outside of family settings, and provide
8 older youth with enhanced support in transitioning to adulthood.

9 Sec. 595. (1) Due to the exigent circumstances found in the
10 department's children's protective services (CPS) program by the
11 office of the auditor general (OAG) audit number 431-1285-16, from
12 the funds appropriated in part 1, the department shall expend
13 \$162,849,600.00 for children's protective services - caseload staff
14 in order to dedicate resources to CPS investigations. The
15 department shall hire staff from the funds appropriated in part 1
16 for children's protective services - caseload staff for the
17 department to come into compliance and sustain measured corrective
18 action as determined by the OAG for OAG audit number 431-1285-16.

19 (2) From the funds appropriated in part 1 for foster care
20 services - caseload staff, the department shall not expend any
21 funds on hiring foster care workers or licensing workers and shall
22 not assume any direct supervisory responsibility of foster care
23 cases unless 1 of the following conditions is met:

24 (a) An initial review of the case indicated that the case is
25 not eligible for Title IV-E reimbursement.

26 (b) The department is already providing direct foster care
27 service to 1 or more siblings of the child ordered into a

1 placement, and a department direct service provision can provide
2 placement to the entire sibling group.

3 (c) The court has ordered placement for only some of the
4 children in the family, requiring the department to monitor the
5 children remaining at home.

6 (3) From the funds appropriated in part 1 for foster care
7 payments, all new foster care cases coming into care shall be
8 placed with a private child placing agency supervision unless any
9 of the conditions in subsection (1) are met or until the statewide
10 ratio of foster care cases is 55% for private child placing agency
11 supervision to 45% department case management supervision
12 respectively.

13 (4) This section does not require an individual county to meet
14 the case ratio described in subsection (3).

15 (5) This section does not modify or amend caseload ratios
16 required under the settlement.

17 Sec. 596. From the funds appropriated in part 1 for youth in
18 transition, the department shall allocate \$500,000.00 state general
19 fund/general purpose revenue to maintain funding to support the
20 runaway and homeless youth services program. The purpose of the
21 maintained funding is to support current programs for contracted
22 providers that provide emergency shelter and services to homeless
23 and runaway youth.

24 Sec. 598. Partial child care fund reimbursements to counties
25 for undisputed charges shall be made within 45 business days of the
26 receipt of the required forms and documentation. The department
27 shall notify a county within 15 business days of a disputed

1 reimbursement request. The department shall reimburse for corrected
2 charges within 45 business days of a properly corrected submission.

3 **PUBLIC ASSISTANCE**

4 Sec. 601. Whenever a client agrees to the release of his or
5 her name and address to the local housing authority, the department
6 shall request from the local housing authority information
7 regarding whether the housing unit for which vendoring has been
8 requested meets applicable local housing codes. Vendoring shall be
9 terminated for those units that the local authority indicates in
10 writing do not meet local housing codes until such time as the
11 local authority indicates in writing that local housing codes have
12 been met.

13 Sec. 602. The department shall conduct a full evaluation of an
14 individual's assistance needs if the individual has applied for
15 disability more than 1 time within a 1-year period.

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

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

25 (b) A person with a physical or mental impairment that meets
26 federal supplemental security income disability standards, except

1 that the minimum duration of the disability shall be 90 days.
2 Substance use disorder alone is not defined as a basis for
3 eligibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 accrued entries.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 office the quarterly number of supervised individuals who have
2 absconded from supervision and whom a law enforcement agency, the
3 department of corrections, or the department is actively seeking
4 according to section 84 of the corrections code of 1953, 1953 PA
5 232, MCL 791.284.

6 Sec. 619. (1) Subject to subsection (2), the department shall
7 not deny title IV-A assistance and food assistance benefits under
8 21 USC 862a to any individual who has been convicted of a single
9 felony that included the possession, use, or distribution of a
10 controlled substance, for which the act that resulted in the
11 conviction occurred after August 22, 1996, if the individual is not
12 in violation of his or her probation or parole requirements.
13 Benefits shall be provided to an individual, if the individual is
14 the grantee (head of household), as follows:

15 (a) Family independence program benefits must be paid in the
16 form of restricted payments when the grantee has been convicted,
17 for conduct occurring after August 22, 1996, of a felony for the
18 use, possession, or distribution of a controlled substance.

19 (b) An authorized representative shall be required for food
20 assistance receipt. If the individual with the conviction is not
21 the grantee, the food assistance shall be provided to the grantee.

22 (2) Subject to federal approval, an individual is not entitled
23 to the exemption in this section if the individual was convicted of
24 2 or more separate felony acts that included the possession, use,
25 or distribution of a controlled substance and both acts occurred
26 after August 22, 1996.

27 Sec. 620. (1) The department shall make a determination of

1 Medicaid eligibility not later than 90 days if disability is an
2 eligibility factor. For all other Medicaid applicants, including
3 patients of a nursing home, the department shall make a
4 determination of Medicaid eligibility within 45 days of
5 application.

6 (2) The department shall provide quarterly reports to the
7 senate and house appropriations subcommittees on the department
8 budget, the senate and house standing committees on families and
9 human services, the senate and house fiscal agencies, the senate
10 and house policy offices, and the state budget office on the
11 average Medicaid eligibility standard of promptness for each of the
12 required standards of promptness under subsection (1) and for
13 medical review team reviews achieved statewide and at each local
14 office.

15 Sec. 625. From the funds appropriated in part 1 for SSI
16 advocacy legal services grant, the department shall allocate
17 \$250,000.00 as a grant to the Legal Services Association of
18 Michigan (LSAM). The purpose of the grant is to assist current or
19 potential recipients of state disability assistance who have
20 applied for or wish to apply for SSI or other federal disability
21 benefits. LSAM shall provide a list of new recipients to the
22 department to verify services provided to department referrals. The
23 department shall distribute informational materials or literature
24 provided by LSAM to clients who have been referred to LSAM for
25 assistance under this section. LSAM and the department shall
26 develop release forms to share information in appropriate cases.
27 LSAM shall provide quarterly reports indicating cases opened, cases

1 closed, level of services provided on closed cases, and case
2 outcomes on closed cases.

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

9 Sec. 653. From the funds appropriated in part 1 for food
10 assistance, an individual who is the victim of domestic violence
11 and does not qualify for any other exemption may be exempt from the
12 3-month in 36-month limit on receiving food assistance under 7 USC
13 2015. This exemption can be extended an additional 3 months upon
14 demonstration of continuing need.

15 Sec. 654. The department shall notify recipients of food
16 assistance program benefits that their benefits can be spent with
17 their bridge cards at many farmers' markets in the state. The
18 department shall also notify recipients about the Double Up Food
19 Bucks program that is administered by the Fair Food Network.
20 Recipients shall receive information about the Double Up Food Bucks
21 program, including information that when the recipient spends
22 \$20.00 at participating farmers' markets through the program, the
23 recipient can receive an additional \$20.00 to buy Michigan produce.

24 Sec. 655. Within 14 days after the spending plan for low-
25 income home energy assistance program is approved by the state
26 budget office, the department shall provide the spending plan,
27 including itemized projected expenditures, to the chairpersons of

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

4 Sec. 660. From the funds appropriated in part 1 for Food Bank
5 Council of Michigan, the department is authorized to make
6 allocations of TANF funds only to the agencies that report
7 necessary data to the department for the purpose of meeting TANF
8 eligibility reporting requirements. The agencies that do not report
9 necessary data to the department for the purpose of meeting TANF
10 eligibility reporting requirements will not receive allocations in
11 excess of those received in fiscal year 2000. The use of TANF funds
12 under this section is not an ongoing commitment of funding.

13 Sec. 669. The department shall allocate \$7,230,000.00 for the
14 annual clothing allowance. The allowance shall be granted to all
15 eligible children in a family independence program group.

16 Sec. 672. (1) The department's office of inspector general
17 shall report to the senate and house of representatives
18 appropriations subcommittees on the department budget, the senate
19 and house fiscal agencies, and the senate and house policy offices
20 by February 15 of the current fiscal year on department efforts to
21 reduce inappropriate use of Michigan bridge cards. The department
22 shall provide information on the number of recipients of services
23 who used their electronic benefit transfer card inappropriately and
24 the current status of each case, the number of recipients whose
25 benefits were revoked, whether permanently or temporarily, as a
26 result of inappropriate use, and the number of retailers that were
27 fined or removed from the electronic benefit transfer program for

1 permitting inappropriate use of the cards. The report shall
2 distinguish between savings and cost avoidance. Savings include
3 receivables established from instances of fraud committed. Cost
4 avoidance includes expenditures avoided due to front-end
5 eligibility investigations and other preemptive actions undertaken
6 in the prevention of fraud.

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

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

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

19 (2) The department shall provide quarterly reports to the
20 senate and house appropriations subcommittees on the department
21 budget, the senate and house fiscal agencies and policy offices,
22 and the state budget director on the number of cases referred to
23 Partnership. Accountability. Training. Hope. (PATH), the current
24 percentage of family independence program cases involved in PATH
25 employment activities, an estimate of the current percentage of
26 family independence program cases that meet federal work
27 participation requirements on the whole, and an estimate of the

1 current percentage of the family independence program cases that
2 meet federal work participation requirements for those cases
3 referred to PATH.

4 (3) The department shall submit to the senate and house
5 appropriations subcommittees on the department budget, the senate
6 and house fiscal agencies, the senate and house policy offices, and
7 the state budget office quarterly reports that include all of the
8 following:

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

11 (b) The average and range of wages of employed family
12 independence program recipients.

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

15 Sec. 686. (1) The department shall ensure that program policy
16 requires caseworkers to confirm that individuals presenting
17 personal identification issued by another state seeking assistance
18 through the family independence program, food assistance program,
19 state disability assistance program, or medical assistance program
20 are not receiving benefits from any other state.

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

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

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

5 Sec. 687. (1) The department shall, in quarterly reports,
6 compile and make available on its website all of the following
7 information about the family independence program, state disability
8 assistance, the food assistance program, Medicaid, and state
9 emergency relief:

10 (a) The number of applications received.

11 (b) The number of applications approved.

12 (c) The number of applications denied.

13 (d) The number of applications pending and neither approved
14 nor denied.

15 (e) The number of cases opened.

16 (f) The number of cases closed.

17 (g) The number of cases at the beginning of the quarter and
18 the number of cases at the end of the quarter.

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

23 (3) The department shall, in quarterly reports, compile and
24 make available on its website the family independence program
25 information listed as follows:

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

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(1 of 2)

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

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

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

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

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

Sec. 688. From the funds appropriated in part 1 for the low-income home energy assistance program, the department shall make an additional \$20.01 payment to each food assistance program case that is not currently eligible for the standard utility allowance to enable each case to receive expanded food assistance benefits through the program commonly known as the heat and eat program.

<<Sec. 690. From the funds appropriated in part 1 for Food Bank Council of Michigan, the department shall allocate \$470,000.00 to a nonprofit, community-based organization organized under the laws of this state that are exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501 located in a county with a population of between 601,000 and 603,000 and in a charter township with a population of between 30,900 and 31,000. The nonprofit selected shall use the funds to gather and distribute food to relieve hunger and increase food security.>>

CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE

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

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

1 professional rather than volunteer staff.

2 Sec. 707. In order to be reimbursed for child care fund
3 expenditures, counties are required to submit department-developed
4 reports to enable the department to document potential federally
5 claimable expenditures. This requirement is in accordance with the
6 reporting requirements specified in section 117a(11) of the social
7 welfare act, 1939 PA 280, MCL 400.117a.

8 Sec. 708. (1) As a condition of receiving funds appropriated
9 in part 1 for the child care fund line item, by October 15 of the
10 current fiscal year, counties shall have an approved service
11 spending plan for the current fiscal year. Counties must submit the
12 service spending plan for the following fiscal year to the
13 department by August 15 of the current fiscal year for approval.
14 Upon submission of the county service spending plan, the department
15 shall approve within 30 calendar days after receipt of a properly
16 completed service plan that complies with the requirements of the
17 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The
18 department shall notify and submit county service spending plan
19 revisions to any county whose county service spending plan is not
20 accepted upon initial submission. The department shall not request
21 any additional revisions to a county service spending plan outside
22 of the requested revision notification submitted to the county by
23 the department. The department shall notify a county within 30 days
24 after approval that its service plan was approved.

25 (2) Counties must submit amendments to current fiscal year
26 county service plans no later than August 30. Counties must submit
27 current fiscal year payable estimates to the department no later

1 than September 15.

2 (3) The department shall submit a report to the house and
3 senate appropriations subcommittees on the department budget, the
4 house and senate fiscal agencies, the house and senate policy
5 offices, and the state budget office by February 15 of the current
6 fiscal year on the number of counties that fail to submit a service
7 spending plan by August 15 of the previous fiscal year and the
8 number of service spending plans not approved by October 15. The
9 report shall include the number of county service spending plans
10 that were not approved as first submitted by the counties, as well
11 as the number of plans that were not approved by the department
12 after being resubmitted by the county with the first revisions that
13 were requested by the department.

14 Sec. 709. The department's master contract for juvenile
15 justice residential foster care services shall prohibit contractors
16 from denying a referral for placement of a youth, or terminating a
17 youth's placement, if the youth's assessed treatment needs are in
18 alignment with the facility's residential program type, as
19 identified by the court or the department. In addition, the master
20 contract shall require that youth placed in juvenile justice
21 residential foster care facilities must have regularly scheduled
22 treatment sessions with a licensed psychologist or psychiatrist, or
23 both, and access to the licensed psychologist or psychiatrist as
24 needed.

25 **FIELD OPERATIONS AND SUPPORT SERVICES**

26 Sec. 807. From the funds appropriated in part 1 for Elder Law

1 of Michigan MiCAFE contract, the department shall allocate not less
2 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this
3 state's elderly population in participating in the food assistance
4 program. Of the \$350,000.00 allocated under this section, the
5 department shall use \$175,000.00, which are general fund/general
6 purpose funds, as state matching funds for not less than
7 \$175,000.00 in United States Department of Agriculture funding to
8 provide outreach program activities, such as eligibility screening
9 and information services, as part of a statewide food assistance
10 hotline.

11 Sec. 808. By March 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, the senate and house policy offices, and
15 the state budget office on the nutrition education program. The
16 report shall include requirements made by the agriculture
17 improvement act of 2018, Public Law 115-334, such as how the
18 department shall use an electronic reporting system to evaluate
19 projects, an accounting for allowable state agency administrative
20 costs. The report shall also include documentation of the steps the
21 department shall take to ensure that projects and subgrantee
22 programs are evidence-based, appropriated for, and meet the
23 criteria for eligible individuals as defined in section 2036a(a) of
24 the food and nutrition act, 7 USC 2036, and quantitative evidence
25 that the programs contribute to a reduction in obesity or an
26 increase in the consumption of healthy foods. Additionally, the
27 report shall include planned allocation and actual expenditures for

1 the supplemental nutrition assistance program education funding,
2 planned and actual grant amounts for the supplemental nutrition
3 assistance program education funding, the total amount of expected
4 carryforward balance at the end of the current fiscal year for the
5 supplemental nutrition assistance program education funding and for
6 each subgrantee program, a list of all supplemental nutrition
7 assistance program education funding programs by implementing
8 agency, and the stated purpose of each of the programs and each of
9 the subgrantee programs.

10 Sec. 809. (1) The purpose of the pathways to potential program
11 is to reduce chronic absenteeism, decrease the number of students
12 who repeat grades, decrease the rate of dropouts, and increase
13 student graduation rates for schools that are current or future
14 participants in the pathways to potential program. Before any
15 deployment of resources into a participant school, the department
16 and the participant school shall establish performance objectives
17 for each participant school based on a 2-year baseline prior to
18 pathways to potential being established in the participant school
19 and shall evaluate the progress made in the above categories from
20 the established baseline. By March 1 of the current fiscal year,
21 the department shall provide to the senate and house appropriations
22 subcommittees on the department budget, the senate and house fiscal
23 agencies, and the senate and house policy offices a report listing
24 all participant schools, the funding allocation by participant
25 school, the number of staff assigned to each school by participant
26 school, and the percentage of participating schools that achieved
27 improved performance in each of the 4 outcomes listed above

1 compared to the previous year, by each individual outcome. It is
2 the intent of the legislature that after a 2-year period without
3 attaining an increase in success in meeting the 4 listed outcomes
4 from the established baseline, the department shall work with the
5 participant school to examine the cause of the lack of progress and
6 shall seek to implement a plan to increase success in meeting the
7 identified outcomes. It is the intent of the legislature that
8 progress or the lack of progress made in meeting the performance
9 objectives shall be used as a determinant in future pathways to
10 potential resource allocation decisions.

11 (2) As used in this section, "baseline" means the initial set
12 of data from the center for educational performance and information
13 in the department of technology, management, and budget of the 4
14 measured outcomes as described in subsection (1).

15 Sec. 810. From funds appropriated in part 1 for public
16 assistance field staff, the department shall allocate \$100.00 as a
17 grant, to implement a pilot program that will provide wrap-around
18 services during out-of-school periods. The funds shall be available
19 to schools, school districts, and public school academies. To be
20 eligible for the grants, the school, school district, or public
21 school academy shall have at least 67% of the population with an
22 income of less than 185% of the federal poverty level. Priority for
23 selection shall be given to schools, school districts, and public
24 school academies that have signed agreements, signed contracts, or
25 signed memorandums with nonprofit, community-based organizations
26 organized under the laws of this state that are exempt from federal
27 income tax under section 501(c)(3) of the internal revenue code of

1 1986, 26 USC 501. The pilot program shall include the following
2 program elements:

3 (a) Schools, school districts, and public school academies are
4 encouraged to offer educational awareness programs such as wrap-
5 around programs and integrated student supports that promote
6 academic achievement through overcoming academic and nonacademic
7 barriers to learning.

8 (b) Activities of an integrated student supports program
9 funded under this subsection may include, but are not limited to,
10 tutoring, dental and health screenings, social-emotional, health,
11 meals, and exercise.

12 (c) Schools, school districts, and public school academies are
13 encouraged to facilitate coordination to ensure the integrated
14 student supports program supplements the services currently
15 available to students and families.

16 (d) Schools, school districts, and public school academies
17 that are selected for participation under this section shall
18 provide a plan to transition the cost of the program to existing
19 funds or private funds raised over 5 years, by providing increasing
20 matching funds throughout the pilot program.

21 (e) Participating schools, school districts, and public school
22 academies shall track academic and nonacademic indicators of
23 student progress.

24 Sec. 825. From the funds appropriated in part 1, the
25 department shall provide individuals not more than \$500.00 for
26 vehicle repairs, including any repairs done in the previous 12
27 months. However, the department may in its discretion pay for

1 repairs up to \$900.00. Payments under this section shall include
2 the combined total of payments made by the department and work
3 participation program.

4 Sec. 850. (1) The department shall maintain out-stationed
5 eligibility specialists in community-based organizations, community
6 mental health agencies, nursing homes, adult placement and
7 independent living settings, federally qualified health centers,
8 and hospitals unless a community-based organization, community
9 mental health agency, nursing home, adult placement and independent
10 living setting, federally qualified health centers, or hospital
11 requests that the program be discontinued at its facility.

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

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

20 (a) Meeting a standard of promptness for processing
21 applications for Medicaid and other public assistance programs
22 under state law.

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

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

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

5 (6) By March 1 of the current fiscal year, the department
6 shall submit a report to the senate and house appropriations
7 subcommittees on the department budget, the senate and house fiscal
8 agencies and policy offices, and the state budget office detailing
9 information on the donated funds positions, including the total
10 number of occupied positions, the total private contribution of the
11 positions, and the total cost to the state for any nonsalary
12 expenditure for the donated funds position employees.

13 Sec. 851. From the funds appropriated in part 1 for adult
14 services field staff, the department shall seek to reduce the
15 number of older adults who are victims of crime and fraud by
16 increasing the standard of promptness in every county. By March 1
17 of the current fiscal year, the department shall report to the
18 senate and house appropriations subcommittees on the department
19 budget, the senate and house fiscal agencies, and policy offices,
20 the following, by county: the percentage of investigations
21 commenced within 24 hours, the number of face-to-face contacts
22 established with the client within 72 hours, and the number of
23 investigations completed within 30 days.

24 **DISABILITY DETERMINATION SERVICES**

25 Sec. 890. From the funds appropriated in part 1 for disability
26 determination services, the department shall maintain the unit

1 rates in effect on September 30, 2018 for medical consultants
2 performing disability determination services, including physicians,
3 psychologists, and speech-language pathologists.

4 **BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS**

5 Sec. 901. Except for the pilot projects and demonstration
6 models described in section 298 of this part, the funds
7 appropriated in part 1 are intended to support a system of
8 comprehensive community mental health services under the full
9 authority and responsibility of local CMHSPs or PIHPs in accordance
10 with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106,
11 the Medicaid provider manual, federal Medicaid waivers, and all
12 other applicable federal and state laws.

13 Sec. 902. (1) Except for the pilot projects and demonstration
14 models described in section 298 of this part, from the funds
15 appropriated in part 1, final authorizations to CMHSPs or PIHPs
16 shall be made upon the execution of contracts between the
17 department and CMHSPs or PIHPs. The contracts shall contain an
18 approved plan and budget as well as policies and procedures
19 governing the obligations and responsibilities of both parties to
20 the contracts. Each contract with a CMHSP or PIHP that the
21 department is authorized to enter into under this subsection shall
22 include a provision that the contract is not valid unless the total
23 dollar obligation for all of the contracts between the department
24 and the CMHSPs or PIHPs entered into under this subsection for the
25 current fiscal year does not exceed the amount of money
26 appropriated in part 1 for the contracts authorized under this

1 subsection.

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

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

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

10 (3) The report required by subsection (2) shall include
11 information about the changes and their effects on rates and
12 expenditures.

13 Sec. 904. (1) By May 31 of the current fiscal year, the
14 department shall provide a report on the CMHSPs, PIHPs, and
15 designated regional entities for substance use disorder prevention
16 and treatment to the members of the house and senate appropriations
17 subcommittees on the department budget, the house and senate fiscal
18 agencies, and the state budget director that includes the
19 information required by this section.

20 (2) The report shall contain information for each CMHSP, PIHP,
21 and designated regional entity for substance use disorder
22 prevention and treatment, and a statewide summary, each of which
23 shall include at least the following information:

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

27 (b) Per capita expenditures in total and by client population

1 group and cultural and ethnic groups of the services area,
2 including the deaf and hard of hearing population.

3 (c) Financial information that, minimally, includes a
4 description of funding authorized; expenditures by diagnosis group,
5 service category, and reimbursement eligibility; and cost
6 information by Medicaid, Healthy Michigan plan, state appropriated
7 non-Medicaid mental health services, local funding, and other fund
8 sources, including administration and funds specified for all
9 outside contracts for services and products. Financial information
10 must include the amount of funding, from each fund source, used to
11 cover clinical services and supports. Service category includes all
12 department-approved services.

13 (d) Data describing service outcomes that include, but are not
14 limited to, an evaluation of consumer satisfaction, consumer
15 choice, and quality of life concerns including, but not limited to,
16 housing and employment.

17 (e) Information about access to CMHSPs and designated regional
18 entities for substance use disorder prevention and treatment that
19 includes, but is not limited to, the following:

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

21 (ii) The number of people who requested services but did not
22 receive services.

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

26 (g) Lapses and carryforwards during the previous fiscal year
27 for CMHSPs, PIHPs, and designated regional entities for substance

1 use disorder prevention and treatment.

2 (h) Performance indicator information required to be submitted
3 to the department in the contracts with CMHSPs, PIHPs, and
4 designated regional entities for substance use disorder prevention
5 and treatment.

6 (i) Administrative expenditures of each CMHSP, PIHP, and
7 designated regional entity for substance use disorder prevention
8 and treatment that include a breakout of the salary, benefits, and
9 pension of each executive-level staff and shall include the
10 director, chief executive, and chief operating officers and other
11 members identified as executive staff.

12 (3) The report shall contain the following information from
13 the previous fiscal year on substance use disorder prevention,
14 education, and treatment programs:

15 (a) Expenditures stratified by department-designated community
16 mental health entity, by central diagnosis and referral agency, by
17 fund source, by subcontractor, by population served, and by service
18 type.

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

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

25 (d) Collections from other first- or third-party payers,
26 private donations, or other state or local programs, by department-
27 designated community mental health entity, by subcontractor, by

1 population served, and by service type.

2 (4) The department shall include data reporting requirements
3 listed in subsections (2) and (3) in the annual contract with each
4 individual CMHSP, PIHP, and designated regional entity for
5 substance use disorder treatment and prevention.

6 (5) The department shall take all reasonable actions to ensure
7 that the data required are complete and consistent among all
8 CMHSPs, PIHPs, and designated regional entities for substance use
9 disorder prevention and treatment.

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

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

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

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

23 Sec. 906. (1) The funds appropriated in part 1 for the state
24 disability assistance substance use disorder services program shall
25 be used to support per diem room and board payments in substance
26 use disorder residential facilities. Eligibility of clients for the
27 state disability assistance substance use disorder services program

1 shall include needy persons 18 years of age or older, or
2 emancipated minors, who reside in a substance use disorder
3 treatment center.

4 (2) The department shall reimburse all licensed substance use
5 disorder programs eligible to participate in the program at a rate
6 equivalent to that paid by the department to adult foster care
7 providers. Programs accredited by department-approved accrediting
8 organizations shall be reimbursed at the personal care rate, while
9 all other eligible programs shall be reimbursed at the domiciliary
10 care rate.

11 Sec. 907. (1) The amount appropriated in part 1 for community
12 substance use disorder prevention, education, and treatment shall
13 be expended to coordinate care and services provided to individuals
14 with severe and persistent mental illness and substance use
15 disorder diagnoses.

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

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

23 Sec. 908. The department shall work with an actuarial firm to
24 reexamine Medicaid mental health, Medicaid autism, and Healthy
25 Michigan plan mental health rates in the PIHP contract in order to
26 develop rates that reflect the actual and projected growth in
27 demand for and the real costs of providing the services associated

1 with those benefits.

2 Sec. 909. From the funds appropriated in part 1 for community
3 substance use disorder prevention, education, and treatment, the
4 department shall use available revenue from the marihuana
5 regulatory fund established in section 604 of the medical marihuana
6 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve
7 physical health; expand access to substance use disorder prevention
8 and treatment services; and strengthen the existing prevention,
9 treatment, and recovery systems.

10 Sec. 910. The department shall ensure that substance use
11 disorder treatment is provided to applicants and recipients of
12 public assistance through the department who are required to obtain
13 substance use disorder treatment as a condition of eligibility for
14 public assistance.

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

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

1 law enforcement agencies to access mental health jail diversion
2 services are strongly encouraged.

3 Sec. 912. The department shall contract directly with the
4 Salvation Army Harbor Light program to provide non-Medicaid
5 substance use disorder services if the local coordinating agency or
6 the department confirms the Salvation Army Harbor Light program
7 meets the standard of care. The standard of care shall include, but
8 is not limited to, utilization of the medication assisted treatment
9 option.

10 Sec. 915. (1) By March 1 of the current fiscal year, the
11 department shall report the following information on the mental
12 health and wellness commission to the house and senate
13 appropriations subcommittees on the department budget, the house
14 and senate fiscal agencies, the house and senate policy offices,
15 and the state budget office:

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

18 (b) Programs utilized during the previous fiscal year to
19 address each actionable recommendation of the mental health and
20 wellness commission.

21 (c) Outcomes and performance measures achieved during the
22 previous fiscal year by actionable recommendation of the mental
23 health and wellness commission.

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

26 (e) Current fiscal year funding by program utilized to address
27 each actionable recommendation of the mental health and wellness

1 commission.

2 (2) By April 1 of the current fiscal year, the department
3 shall report on funding within the executive budget proposal for
4 the fiscal year ending September 30, 2021, by actionable
5 recommendation of the mental health and wellness commission to the
6 same report recipients listed in subsection (1).

7 Sec. 918. On or before the twenty-fifth of each month, the
8 department shall report to the senate and house appropriations
9 subcommittees on the department budget, the senate and house fiscal
10 agencies, and the state budget director on the amount of funding
11 paid to PIHPs to support the Medicaid managed mental health care
12 program in the preceding month. The information shall include the
13 total paid to each PIHP, per capita rate paid for each eligibility
14 group for each PIHP, and number of cases in each eligibility group
15 for each PIHP, and year-to-date summary of eligibles and
16 expenditures for the Medicaid managed mental health care program.

17 Sec. 920. (1) As part of the Medicaid rate-setting process for
18 behavioral health services, the department shall work with PIHP
19 network providers and actuaries to include any state and federal
20 wage and compensation increases that directly impact staff who
21 provide Medicaid-funded community living supports, personal care
22 services, respite services, skill-building services, and other
23 similar supports and services as part of the Medicaid rate.

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

27 Sec. 924. From the funds appropriated in part 1 for autism

1 services, for the purposes of actuarially sound rate certification
2 and approval for Medicaid behavioral health managed care programs,
3 the department shall establish and implement a fee schedule for
4 autism services reimbursement rates for direct services by October
5 1 of the current fiscal year. Expenditures used for rate setting
6 shall not exceed those identified in the fee schedule. The rates
7 for behavioral technicians shall be reduced by 10% of the 2017
8 autism fee schedule, but shall not be less than \$50.00 per hour.

9 Sec. 926. From the funds appropriated in part 1 for community
10 substance use disorder prevention, education, and treatment, the
11 department shall appropriate up to \$1,000,000.00 to implement 2
12 specialized substance use disorder detoxification pilot programs.
13 For a hospital to be eligible to participate in the pilot program,
14 the hospital must have a wing with at least 3 beds dedicated to
15 stabilizing patients suffering from addiction by providing a
16 specialized trauma therapist as well as a peer support specialist
17 to assist with treatment and counseling. The substance use and case
18 management provider shall collect and submit to the department data
19 on the outcomes of the pilot program throughout the duration of the
20 pilot program and shall provide a report on the pilot program's
21 outcomes to the senate and house appropriations subcommittees on
22 the department budget, the senate and house fiscal agencies, the
23 senate and house policy offices, and the state budget office. In
24 order to receive funding under this section, the substance use and
25 case management provider must meet 1 of the following conditions:

26 (a) Be located at a nonprofit hospital in a city with a
27 population between 195,000 and 210,000 within a county with a

1 population of at least 645,000.

2 (b) Be located at a homeland security hospital in a city with
3 a population between 15,000 and 17,000 within a county with a
4 population of at least 850,000.

5 Sec. 927. The department shall determine what steps are
6 necessary to allow a behavioral health services provider operating
7 in multiple counties to utilize a single audit or consolidate
8 audits, in whole or in part, in order to reduce the administrative
9 and financial burden on both the service provider and the
10 department. The department shall submit a report identifying
11 potential barriers and solutions to the senate and house
12 appropriations subcommittees on the department budget, the senate
13 and house fiscal agencies, the senate and house policy offices, and
14 the state budget office by December 31 of the current fiscal year.

15 Sec. 928. (1) Each PIHP shall provide, from internal
16 resources, local funds to be used as a part of the state match
17 required under the Medicaid program in order to increase capitation
18 rates for PIHPs. These funds shall not include either state funds
19 received by a CMHSP for services provided to non-Medicaid
20 recipients or the state matching portion of the Medicaid capitation
21 payments made to a PIHP. Total local fund revenue received from
22 PIHPs for the purpose of this section shall not exceed
23 \$25,475,700.00.

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. 929. From the funds appropriated in part 1 for behavioral
9 health program administration, the department shall allocate
10 \$100.00 by December 1 of the current fiscal year as a grant to the
11 Conductive Learning Center located at Aquinas College. The purpose
12 of this grant is to support the operational costs of the conductive
13 education model taught at the Conductive Learning Center to
14 maximize the independence and mobility of children and adults with
15 neuromotor disabilities. The conductive education model funded
16 under this section must be based on the concept of neuroplasticity
17 and the ability of people to learn and improve when they are
18 motivated, regardless of the severity of their disability.

19 Sec. 935. A county required under the provisions of the mental
20 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
21 matching funds to a CMHSP for mental health services rendered to
22 residents in its jurisdiction shall pay the matching funds in equal
23 installments on not less than a quarterly basis throughout the
24 fiscal year, with the first payment being made by October 1 of the
25 current fiscal year.

26 Sec. 940. (1) According to section 236 of the mental health
27 code, 1974 PA 258, MCL 330.1236, the department shall do both of

1 the following:

2 (a) Review expenditures for each CMHSP to identify CMHSPs with
3 projected allocation surpluses and to identify CMHSPs with
4 projected allocation shortfalls. The department shall encourage the
5 board of a CMHSP with a projected allocation surplus to concur with
6 the department's recommendation to reallocate those funds to CMHSPs
7 with projected allocation shortfalls.

8 (b) Withdraw unspent funds that have been allocated to a CMHSP
9 if other reallocated funds were expended in a manner not provided
10 for in the approved contract, including expending funds on services
11 and programs provided to individuals residing outside of the
12 CMHSP's geographic region.

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

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

22 (4) The department shall notify the chairs of the
23 appropriation subcommittees on the department budget when a request
24 is made and when the department grants approval for reallocation or
25 withdraw as described in subsection (1). By September 30 of the
26 current fiscal year, the department shall provide a report on the
27 amount of funding reallocated or withdrawn to the senate and house

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

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

9 Sec. 950. From the funds appropriated in part 1 for court-
10 appointed guardian and conservator reimbursements, the department
11 shall allocate not more than \$100.00 to reimburse counties for 50%
12 of the cost to reimburse court-appointed public guardians and
13 conservators for recipients who also receive CMHSP services. The
14 department shall only reimburse for 50% of the cost for
15 reimbursement up to \$83.00 per month per court-appointed public
16 guardian and conservator. By September 15 of the current fiscal
17 year, the department shall provide a report to the house and senate
18 appropriations subcommittees on the department budget, the house
19 and senate fiscal agencies, the house and senate policy offices,
20 and the state budget office on the number of counties that received
21 these funds, the number of court-appointed public guardians and
22 conservators who were reimbursed by the counties that received
23 these funds, and the per-month reimbursement rates provided by the
24 counties that received these funds.

25 Sec. 959. (1) From the funds appropriated in part 1 for autism
26 services, the department shall continue to cover all Medicaid
27 autism services to Medicaid enrollees eligible for the services

1 that were covered on January 1, 2018.

2 (2) To restrain cost increases in the autism services line
3 item, the department shall do all of the following:

4 (a) Require consultation with the client's diagnostician and
5 CMHSP to approve the client's ongoing therapy every 6 months if the
6 initial treatment would cost more than a monthly threshold amount
7 to be specified by the department.

8 (b) Limit the authority to perform a diagnostic evaluation for
9 Medicaid autism services to qualified licensed practitioners.

10 Qualified licensed practitioners shall be limited to the following:

11 (i) A physician with a specialty in psychiatry or neurology.

12 (ii) A physician with a subspecialty in developmental
13 pediatrics, development-behavioral pediatrics, or a related
14 discipline.

15 (iii) A physician with a specialty in pediatrics or other
16 appropriate specialty with training, experience, or expertise in
17 autism spectrum disorders or behavioral health.

18 (iv) A psychologist.

19 (v) A clinical social worker working within his or her scope
20 of practice who is qualified and experienced in diagnosing autism
21 spectrum disorders.

22 (c) Require that diagnoses made by a clinical social worker
23 must be approved by another qualified licensed practitioner who is
24 not a clinical social worker.

25 (d) Require that a client whose initial diagnosis was
26 performed by a nurse practitioner or a clinical social worker and
27 who requires at least 20 hours a week of therapy must go through a

1 re-diagnosis by a multi-disciplinary team.

2 (e) Prohibit CMHSPs from allowing specific providers to
3 provide both diagnosis and treatment services to individual
4 clients.

5 Sec. 962. For the purposes of special projects involving high-
6 need children or adults, including the not guilty by reason of
7 insanity population, the department may contract directly with
8 providers of services to these identified populations.

9 Sec. 963. From the funds appropriated in part 1 for behavioral
10 health program administration, up to \$2,000,000.00 shall be
11 allocated to address the implementation of court-ordered assisted
12 outpatient treatment as provided under chapter 4 of the mental
13 health code, 1974 PA 258, MCL 330.1400 to 330.1490.

14 Sec. 964. The department shall develop and implement a
15 standardized fee schedule for all required Medicaid behavioral
16 health services by January 1 of the current fiscal year. The
17 department shall also develop and implement necessary adequacy
18 standards for use in all contracts with PIHPs and CMHSPs.

19 Sec. 965. The department shall explore requiring that CMHSPs
20 reimburse medication assisted treatment providers no less than
21 \$12.00 per dose, and reimburse drug screen collection at no less
22 than \$12.00 per manual screen.

23 Sec. 970. The department shall maintain the policies in effect
24 on October 1, 2018 for the federal home and community-based
25 services rule as it relates to skill building assistance services.
26 The skill building assistance services shall remain eligible for
27 federal match until March 17, 2022 as stated in the CMS

1 informational bulletin dated May 9, 2017. From the funds
2 appropriated in part 1, the department shall continue to seek
3 federal matching funds for skill building assistance services.

4 Sec. 994. (1) By January 1 of the current fiscal year, the
5 department shall seek, if necessary, federal approval through
6 either a waiver request or state plan amendment to allow a CMHSP,
7 PIHP, or subcontracting provider agency that is reviewed and
8 accredited by a national accrediting entity for behavioral health
9 care services to be considered in compliance with state program
10 review and audit requirements that are addressed and reviewed by
11 that national accrediting entity.

12 (2) By April 1 of the current fiscal year, the department
13 shall report to the house and senate appropriations subcommittees
14 on the department budget, the house and senate fiscal agencies, and
15 the state budget office all of the following:

16 (a) The status of the federal approval process required in
17 subsection (1).

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

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

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

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

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

5 (4) As used in this section, "national accrediting entity"
6 means the Joint Commission, formerly known as the Joint Commission
7 on Accreditation of Healthcare Organizations, the Commission on
8 Accreditation of Rehabilitation Facilities, the Council on
9 Accreditation, the URAC, formerly known as the Utilization Review
10 Accreditation Commission, the National Committee for Quality
11 Assurance, or another appropriate entity, as approved by the
12 department.

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

16 Sec. 996. From the funds appropriated in part 1 for family
17 support subsidy, the department shall make monthly payments of
18 \$229.31 to the parents or legal guardians of children approved for
19 the family support subsidy by a CMHSP.

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

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

26 Sec. 999. Within 30 days after the completion of a statewide
27 PIHP reimbursement audit, the department shall provide the audit

1 report to the house and senate appropriations subcommittees on the
2 department budget, the house and senate fiscal agencies, the house
3 and senate policy offices, and the state budget office.

4 **BEHAVIORAL HEALTH SERVICES**

5 Sec. 1001. By December 31 of the current fiscal year, each
6 CMHSP shall submit a report to the department that identifies
7 populations being served by the CMHSP broken down by program
8 eligibility category. The report shall also include the percentage
9 of the operational budget that is related to program eligibility
10 enrollment. By January 15 of the current fiscal year, the
11 department shall submit the report described in this section to the
12 senate and house appropriations subcommittees on the department
13 budget, the senate and house fiscal agencies, the senate and house
14 policy offices, and the state budget office.

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

18 Sec. 1004. The department shall provide the senate and house
19 appropriations subcommittees 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. 1008. PIHPs and CMHSPs shall do all of the following:

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

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

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

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

21 Sec. 1009. (1) From the funds appropriated in part 1 for
22 Medicaid mental health services and Healthy Michigan plan -
23 behavioral health, the department shall maintain the hourly wage
24 for direct care workers from the previous fiscal year. Funds
25 provided in this section must be utilized by a PIHP to maintain the
26 wage increase for direct care worker wages, for the employer's
27 share of federal insurance contributions act costs, purchasing

1 worker's compensation insurance, or the employer's share of
2 unemployment costs.

3 (2) Each PIHP shall report to the department by February 1 of
4 the current fiscal year the range of wages paid to direct care
5 workers, including information on the number of direct care workers
6 at each wage level.

7 (3) The department shall report the information required to be
8 reported according to subsection (2) to the senate and house
9 appropriations subcommittees on the department budget, the senate
10 and house fiscal agencies, the senate and house policy offices, and
11 the state budget office by March 1 of the current fiscal year.

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

13 Sec. 1051. The department shall continue a revenue recapture
14 project to generate additional revenues from third parties related
15 to cases that have been closed or are inactive. A portion of
16 revenues collected through project efforts may be used for
17 departmental costs and contractual fees associated with these
18 retroactive collections and to improve ongoing departmental
19 reimbursement management functions.

20 Sec. 1052. The purpose of gifts and bequests for patient
21 living and treatment environments is to use additional private
22 funds to provide specific enhancements for individuals residing at
23 state-operated facilities. Use of the gifts and bequests shall be
24 consistent with the stipulation of the donor. The expected
25 completion date for the use of gifts and bequests donations is
26 within 3 years unless otherwise stipulated by the donor.

1 Sec. 1053. The funds appropriated in part 1 for behavioral
2 health facility contingency are not available for expenditure until
3 they have been transferred to another line item in part 1 under
4 section 393(2) of the management and budget act, 1984 PA 431, MCL
5 18.1393.

6 Sec. 1055. (1) The department shall not implement any closures
7 or consolidations of state hospitals, centers, or agencies until
8 CMHSPs or PIHPs have programs and services in place for those
9 individuals currently in those facilities and a plan for service
10 provision for those individuals who would have been admitted to
11 those facilities.

12 (2) All closures or consolidations are dependent upon adequate
13 department-approved CMHSP and PIHP plans that include a discharge
14 and aftercare plan for each individual currently in the facility. A
15 discharge and aftercare plan shall address the individual's housing
16 needs. A homeless shelter or similar temporary shelter arrangements
17 are inadequate to meet the individual's housing needs.

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

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

1 Sec. 1056. The department may collect revenue for patient
2 reimbursement from first- and third-party payers, including
3 Medicaid and local county CMHSP payers, to cover the cost of
4 placement in state hospitals and centers. The department is
5 authorized to adjust financing sources for patient reimbursement
6 based on actual revenues earned. If the revenue collected exceeds
7 current year expenditures, the revenue may be carried forward with
8 approval of the state budget director. The revenue carried forward
9 shall be used as a first source of funds in the subsequent year.

10 Sec. 1057. From the funds appropriated in part 1 for Kalamazoo
11 Psychiatric Hospital, the department shall appropriate \$100.00 to
12 hire additional staff at the Kalamazoo psychiatric hospital.

13 Sec. 1058. Effective October 1 of the current fiscal year, the
14 department, in consultation with the department of technology,
15 management, and budget, may maintain a bid process to identify 1 or
16 more private contractors to provide food service and custodial
17 services for the administrative areas at any state hospital
18 identified by the department as capable of generating savings
19 through the outsourcing of such services.

20 Sec. 1059. The department shall identify specific outcomes and
21 performance measures for state-operated hospitals and centers,
22 including, but not limited to, the following:

23 (a) The average wait time for persons determined incompetent
24 to stand trial before admission to the center for forensic
25 psychiatry.

26 (b) The average wait time for persons determined incompetent
27 to stand trial before admission to other state-operated psychiatric

1 facilities.

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

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

6 (e) The number of persons determined not guilty by reason of
7 insanity or incompetent to stand trial through an order by the
8 probate court that have been determined to be ready for discharge
9 to the community, and the average wait time between being
10 determined to be ready for discharge to the community and actual
11 community placement.

12 (f) The number of persons denied services at the center for
13 forensic psychiatry.

14 (g) The number of persons denied services at other state-
15 operated hospitals and centers.

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

25 (2) By March 1 of the current fiscal year, the department
26 shall provide a status update on the implementation of the
27 workgroup's recommendations to the senate and house appropriations

1 subcommittees on the department budget, the senate and house fiscal
2 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. Capital outlay funding shall be utilized for
9 planning and construction of a new or updated facility at the
10 current location instead of at a new location.

11 Sec. 1062. The department shall continue to identify and
12 implement efforts to address staffing shortages in the state
13 psychiatric hospital system. By March 1 of the current fiscal year,
14 the department shall provide a report to the senate and house
15 appropriations subcommittees on the department budget, the senate
16 and house fiscal agencies, and the senate and house policy offices
17 on all of the following:

18 (a) The measures being implemented to hire qualified trained
19 staff, address staff overtime and staff turnover, and improve staff
20 retention.

21 (b) The number of direct care and clinical staff positions
22 that are currently vacant.

23 (c) The range of wages paid by position broken down by state-
24 operated hospital or center.

25 **HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES**

26 Sec. 1140. From the funds appropriated in part 1 for primary

1 care services, \$250,000.00 shall be allocated to free health
2 clinics operating in the state. The department shall distribute the
3 funds equally to each free health clinic. For the purpose of this
4 appropriation, "free health clinics" means nonprofit organizations
5 that use volunteer health professionals to provide care to
6 uninsured individuals.

7 Sec. 1141. From the funds appropriated in part 1 for Michigan
8 essential health provider, \$100.00 shall be appropriated to assist
9 in the repayment of medical education loans. A participating
10 physician shall enter into a contract to work with an employer for
11 no less than 2 years in a federally designated health provider
12 shortage area with a population no greater than 40,000 according to
13 the most recent federal decennial census.

14 Sec. 1142. The department shall continue to seek means to
15 increase retention of Michigan medical school students for
16 completion of their primary care residency requirements within this
17 state and ultimately, for some period of time, to remain in this
18 state and serve as primary care physicians. The department is
19 encouraged to work with Michigan institutions of higher education.

20 Sec. 1144. (1) From the funds appropriated in part 1 for
21 health policy administration, the department shall allocate the
22 federal state innovation model grant funding that supports
23 implementation of the health delivery system innovations detailed
24 in this state's "Reinventing Michigan's Health Care System:
25 Blueprint for Health Innovation" document. This initiative will
26 test new payment methodologies, support improved population health
27 outcomes, and support improved infrastructure for technology and

1 data sharing and reporting. The funds will be used to provide
2 financial support directly to regions participating in the model
3 test and to support statewide stakeholder guidance and technical
4 support.

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

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

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

13 (3) On a semiannual basis, the department shall submit a
14 written report to the house and senate appropriations subcommittees
15 on the department budget, the house and senate fiscal agencies, and
16 the state budget office on the status of the program and progress
17 made since the prior report.

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

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

25 (b) The data aggregator must be governed by a nonprofit
26 entity.

27 (c) All decisions regarding the establishment, administration,

1 and modification of the database must be made by an advisory board.
2 The membership of the advisory board must include the director of
3 the department or a designee of the director and representatives of
4 health carriers, consumers, and purchasers.

5 (d) The Michigan Data Collaborative shall be the data
6 aggregator to receive health care claims information from, without
7 limitation, commercial health carriers, nonprofit health care
8 corporations, health maintenance organizations, and third party
9 administrators that process claims under a service contract.

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

12 Sec. 1145. The department will take steps necessary to work
13 with Indian Health Service, tribal health program facilities, or
14 Urban Indian Health Program facilities that provide services under
15 a contract with a Medicaid managed care entity to ensure that those
16 facilities receive the maximum amount allowable under federal law
17 for Medicaid services.

18 Sec. 1150. The department shall coordinate with the department
19 of licensing and regulatory affairs, the department of the attorney
20 general, all appropriate law enforcement agencies, and the Medicaid
21 health plans to reduce fraud related to opioid prescribing within
22 Medicaid, and to address other appropriate recommendations of the
23 prescription drug and opioid abuse task force outlined in its
24 report of October 2015. By October 1 of the current fiscal year,
25 the department shall submit a report to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, the senate and house policy offices, and

1 the state budget office on steps the department has taken to
2 coordinate with the entities listed in this section and other
3 stakeholders to reduce fraud related to opioid prescribing, and to
4 address other appropriate recommendations of the task force.

5 Sec. 1151. The department shall coordinate with the department
6 of licensing and regulatory affairs, the department of the attorney
7 general, all appropriate law enforcement agencies, and the Medicaid
8 health plans to work with local substance use disorder agencies and
9 addiction treatment providers to help inform Medicaid beneficiaries
10 of all medically appropriate treatment options for opioid addiction
11 when their treating physician stops prescribing prescription opioid
12 medication for pain, and to address other appropriate
13 recommendations of the prescription drug and opioid abuse task
14 force outlined in its report of October 2015. By October 1 of the
15 current fiscal year, the department shall submit a report to the
16 senate and house appropriations subcommittees on the department
17 budget, the senate and house fiscal agencies, the senate and house
18 policy offices, and the state budget office on how the department
19 is working with local substance use disorder agencies and addiction
20 treatment providers to ensure that Medicaid beneficiaries are
21 informed of all available and medically appropriate treatment
22 options for opioid addiction when their treating physician stops
23 prescribing prescription opioid medication for pain, and to address
24 other appropriate recommendations of the task force. The report
25 shall include any potential barriers to medication-assisted
26 treatment, as recommended by the Michigan medication-assisted
27 treatment guidelines, for Medicaid beneficiaries in both office-

1 based opioid treatment and opioid treatment program facility
2 settings.

3 Sec. 1152. The Michigan rehabilitation services shall work
4 collaboratively with the bureau of services for blind persons,
5 service organizations, and government entities to identify
6 qualified match dollars to maximize use of available federal
7 vocational rehabilitation funds.

8 Sec. 1153. The department shall provide an annual report by
9 February 1 to the house and senate appropriations subcommittees on
10 the department budget, the house and senate fiscal agencies, the
11 house and senate policy offices, and the state budget office on
12 efforts taken to improve the Michigan rehabilitation services. The
13 report shall include all of the following items:

14 (a) Reductions and changes in administration costs and
15 staffing.

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

17 (c) Reorganization plans and implementation steps achieved.

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

20 (e) Quarterly expenditures by major spending category.

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

23 (g) Success rate of each district in achieving the program
24 goals.

25 Sec. 1154. (1) From the funds appropriated in part 1 for
26 Michigan rehabilitation services, the department shall allocate
27 \$50,000.00 along with available federal match to support the

1 provision of vocational rehabilitation services to eligible
2 agricultural workers with disabilities. Authorized services shall
3 assist agricultural workers with disabilities in acquiring or
4 maintaining quality employment and independence.

5 (2) By March 1 of the current fiscal year, the department
6 shall report to the senate and house appropriations subcommittees
7 on the department budget, the senate and house fiscal agencies, the
8 senate and house policy offices, and the state budget office on the
9 total number of clients served and the total amount of federal
10 matching funds obtained throughout the duration of the program.

11 Sec. 1155. It is the intent of the legislature that Michigan
12 rehabilitation services shall not implement an order of selection
13 for vocational and rehabilitative services. If the department is at
14 risk of entering into an order of selection for services, the
15 department shall notify the chairs of the senate and house
16 appropriations subcommittees on the department budget and the
17 senate and house fiscal agencies and policy offices within 2 weeks
18 of receiving notification.

19 Sec. 1156. From the funds appropriated in part 1 for Michigan
20 rehabilitation services, the department shall allocate
21 \$6,100,300.00, including federal matching funds, to service
22 authorizations with community-based rehabilitation organizations
23 for an array of needed services throughout the rehabilitation
24 process.

25 Sec. 1158. (1) Funds appropriated in part 1 for independent
26 living shall be used to support the general operations of centers
27 for independent living in delivering mandated independent living

1 services in compliance with federal rules and regulations for the
2 centers, by existing centers for independent living to serve
3 underserved areas, and for projects to build the capacity of
4 centers for independent living to deliver independent living
5 services. Applications for the funds shall be reviewed in
6 accordance with criteria and procedures established by the
7 department. The funds appropriated in part 1 may be used to
8 leverage federal vocational rehabilitation funds up to
9 \$5,543,000.00, if available. If the possibility of matching federal
10 funds exists, the centers for independent living network will
11 negotiate a mutually beneficial cooperative agreement with Michigan
12 rehabilitation services. Funds shall be used in a manner consistent
13 with the state plan for independent living. Services provided
14 should assist people with disabilities to move toward self-
15 sufficiency, including support for accessing transportation and
16 health care, obtaining employment, community living, nursing home
17 transition, information and referral services, education, youth
18 transition services, veterans, and stigma reduction activities and
19 community education. This includes the independent living guide
20 services that specifically focus on economic self-sufficiency.

21 (2) The Michigan centers for independent living shall provide
22 a report by March 1 of the current fiscal year to the house and
23 senate appropriations subcommittees on the department budget, the
24 house and senate fiscal agencies, the house and senate policy
25 offices, and the state budget office on direct customer and system
26 outcomes and performance measures.

1 **EPIDEMIOLOGY AND POPULATION HEALTH**

2 Sec. 1180. From the funds appropriated in part 1 for
3 epidemiology administration and for childhood lead program, the
4 department shall maintain a public health drinking water unit and
5 maintain enhanced efforts to monitor child blood lead levels. The
6 public health drinking water unit shall ensure that appropriate
7 investigations of potential health hazards occur for all community
8 and noncommunity drinking water supplies where chemical exceedances
9 of action levels, health advisory levels, or maximum contaminant
10 limits are identified. The goals of the childhood lead program
11 shall include improving the identification of affected children,
12 the timeliness of case follow-up, and attainment of nurse care
13 management for children with lead exposure, and to achieve a long-
14 term reduction in the percentage of children in this state with
15 elevated blood lead levels.

16 Sec. 1181. From the funds appropriated in part 1 for
17 epidemiology administration, the department shall maintain a vapor
18 intrusion response unit. The vapor intrusion response unit shall
19 assess risks to public health at vapor intrusion sites and respond
20 to vapor intrusion risks where appropriate. The goals of the vapor
21 intrusion response unit shall include reducing the number of
22 residents of this state exposed to toxic substances through vapor
23 intrusion and improving health outcomes for individuals that are
24 identified as having been exposed to vapor intrusion.

25 Sec. 1182. (1) From the funds appropriated in part 1 for the
26 healthy homes program, no less than \$1,750,000.00 of general
27 fund/general purpose funds and \$23,480,000.00 of federal funds

1 shall be allocated for lead abatement of homes.

2 (2) By January 1 of the current fiscal year, the department
3 shall provide a report to the house and senate appropriations
4 subcommittees on the department budget, the house and senate fiscal
5 agencies, and the state budget office on the expenditures and
6 activities undertaken by the lead abatement program in the previous
7 fiscal year from the funds appropriated in part 1 for the healthy
8 homes program. The report shall include, but is not limited to, a
9 funding allocation schedule, expenditures by category of
10 expenditure and by subcontractor, revenues received, description of
11 program elements, and description of program accomplishments and
12 progress.

13 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

14 Sec. 1220. The amount appropriated in part 1 for
15 implementation of the 1993 additions of or amendments to sections
16 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
17 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
18 333.17015, and 333.17515, shall be used to reimburse local health
19 departments for costs incurred related to implementation of section
20 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

21 Sec. 1221. If a county that has participated in a district
22 health department or an associated arrangement with other local
23 health departments takes action to cease to participate in such an
24 arrangement after October 1 of the current fiscal year, the
25 department shall have the authority to assess a penalty from the
26 local health department's operational accounts in an amount equal

1 to no more than 6.25% of the local health department's essential
2 local public health services funding. This penalty shall only be
3 assessed to the local county that requests the dissolution of the
4 health department.

5 Sec. 1222. (1) Funds appropriated in part 1 for essential
6 local public health services shall be prospectively allocated to
7 local health departments to support immunizations, infectious
8 disease control, sexually transmitted disease control and
9 prevention, hearing screening, vision services, food protection,
10 public water supply, private groundwater supply, and on-site sewage
11 management. Food protection shall be provided in consultation with
12 the department of agriculture and rural development. Public water
13 supply, private groundwater supply, and on-site sewage management
14 shall be provided in consultation with the department of
15 environment, great lakes, and energy.

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

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

22 (4) By December 1 of the current fiscal year, the department
23 shall provide a report to the house and senate appropriations
24 subcommittees on the department budget, the house and senate fiscal
25 agencies, and the state budget director on the planned allocation
26 of the funds appropriated for essential local public health
27 services.

1 Sec. 1225. The department shall work with the Michigan health
2 endowment fund corporation established under section 653 of the
3 nonprofit health care corporation reform act, 1980 PA 350, MCL
4 550.1653, to explore ways to fund and evaluate current and future
5 policies and programs.

6 Sec. 1226. From the funds appropriated in part 1 for chronic
7 disease control and health promotion administration, \$100.00 shall
8 be allocated for a school children's healthy exercise program to
9 promote and advance physical health for school children in
10 kindergarten through grade 8. The department shall recommend model
11 programs for sites to implement that incorporate evidence-based
12 best practices. The department shall grant no less than 1/2 of the
13 funds appropriated in part 1 for before- and after-school programs.
14 The department shall establish guidelines for program sites, which
15 may include schools, community-based organizations, private
16 facilities, recreation centers, or other similar sites. The program
17 format shall encourage local determination of site activities and
18 shall encourage local inclusion of youth in the decision-making
19 regarding site activities. Program goals shall include children
20 experiencing improved physical health and access to physical
21 activity opportunities, the reduction of obesity, providing a safe
22 place to play and exercise, and nutrition education. To be eligible
23 to participate, program sites shall provide a 20% match to the
24 state funding, which may be provided in full, or in part, by a
25 corporation, foundation, or private partner. The department shall
26 seek financial support from corporate, foundation, or other private
27 partners for the program or for individual program sites.

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

9 Sec. 1228. (1) From the funds appropriated in part 1 for
10 injury control intervention project, \$100.00 shall be allocated for
11 implementation of evidence-based, real-time, quality assurance
12 decision support software in the treatment of pediatric traumatic
13 brain injury and for protocols that are to be available to all
14 hospitals providing those trauma services. The funds shall be used
15 to purchase statewide licenses for pediatric traumatic brain injury
16 treatment software and related software services and to offset
17 hospital software integration costs. The department shall seek
18 federal matching funds that may be available for implementation of
19 this section.

20 (2) By March 1 of the current fiscal year, the department
21 shall report to the senate and house appropriations subcommittees
22 on the department budget, the senate and house fiscal agencies, the
23 senate and house policy offices, and the state budget office on
24 both of the following:

25 (a) Expenditures broken down by purpose of expenditure.

26 (b) Expenditures broken down by hospital.

27 Sec. 1231. From the funds appropriated for local health

1 services, up to \$4,750,000.00 shall be allocated for grants to
2 local public health departments to support PFAS response and
3 emerging public health threat activities. A portion of the funding
4 shall be allocated by the department in a collaborative fashion
5 with local public health departments in jurisdictions experiencing
6 PFAS contamination. The remainder of the funding shall be allocated
7 to address infectious and vector-borne disease threats, and other
8 environmental contamination issues such as vapor intrusion,
9 drinking water contamination, and lead exposure. The funding shall
10 be allocated to address issues including, but not limited to,
11 staffing, planning and response, and creation and dissemination of
12 materials related to PFAS contamination issues and other emerging
13 public health issues and threats.

14 Sec. 1232. It is the intent of the legislature that the United
15 States Department of Defense shall reimburse the state for costs
16 associated with PFAS and environmental contamination response at
17 military training sites and support facilities.

18 Sec. 1233. General fund and state restricted fund
19 appropriations in part 1 shall not be expended for PFAS and
20 environmental contamination response where federal funding or
21 private grant funding is available for the same expenditures.

22 Sec. 1234. (1) By October 1 of the current fiscal year, the
23 department shall implement the distribution formula for the
24 allocation of essential local public health services funding to
25 local health departments as specified by section 1234 of article X
26 of 2018 PA 207.

27 (2) From the funds appropriated in part 1 for essential local

1 public health services, each local public health department is
2 allocated not less than the amount allocated to that local public
3 health department during the previous fiscal year.

4 **FAMILY HEALTH SERVICES**

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

13 (a) Funding allocations.

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

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

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

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

26 Sec. 1302. Each family planning program receiving federal

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

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

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

24 Sec. 1305. (1) From the funds appropriated in part 1 for
25 family planning local agreements, the pregnancy prevention program,
26 Michigan essential health providers, essential local public health
27 services, and maternal and child health, the department shall not

1 contract with or award grants to an entity that engages in 1 or
2 more of the activities described in section 1(2) of 2002 PA 360,
3 MCL 333.1091, if the entity is located in a county or health
4 district where family planning or pregnancy prevention services are
5 provided by the county, the health district, or a qualified entity
6 that does not engage in any of the activities described in section
7 1(2) of 2002 PA 360, MCL 333.1091.

8 (2) The department shall give priority to counties or health
9 districts where no contracts or grants currently exist for family
10 planning local agreements, or the pregnancy prevention program,
11 Michigan essential health providers, essential local public health
12 services, and maternal and child health, before contracting with or
13 awarding grants to an entity that engages in 1 or more of the
14 activities described in section 1(2) of 2002 PA 360, MCL 333.1091,
15 if that entity is located in a county where family planning
16 programs, pregnancy prevention programs, Michigan essential health
17 providers, essential local public health services, and maternal and
18 child health, are provided by the county, the health district, or
19 another qualified entity that does not engage in the activities
20 described in section 1(2) of 2002 PA 360, MCL 333.1091.

21 Sec. 1307. From the funds appropriated in part 1 for prenatal
22 care outreach and service delivery support, \$750,000.00 of TANF
23 revenue shall be allocated for a pregnancy and parenting support
24 services program, which must promote childbirth, alternatives to
25 abortion, and grief counseling. The department shall establish a
26 program with a qualified contractor that will contract with
27 qualified service providers to provide free counseling, support,

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

13 Sec. 1308. From the funds appropriated in part 1 for prenatal
14 care outreach and service delivery support, not less than
15 \$500,000.00 of funding shall be allocated for evidence-based
16 programs to reduce infant mortality including nurse family
17 partnership programs. The funds shall be used for enhanced support
18 and education to nursing teams or other teams of qualified health
19 professionals, client recruitment in areas designated as
20 underserved for obstetrical and gynecological services and other
21 high-need communities, strategic planning to expand and sustain
22 programs, and marketing and communications of programs to raise
23 awareness, engage stakeholders, and recruit nurses.

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

27 Sec. 1310. Each family planning program receiving federal

1 title X family planning funds under 42 USC 300 to 300a-8 must be in
2 compliance with all title X rules established by the Office of
3 Population Affairs within the United States Department of Health
4 and Human Services. The department shall monitor all title X family
5 planning programs to ensure compliance with all federal title X
6 rules. An agency not in compliance with the rules shall not receive
7 supplemental or reallocated funds.

8 Sec. 1311. From the funds appropriated in part 1 for prenatal
9 care outreach and service delivery support, not less than
10 \$2,750,000.00 state general fund/general purpose funds shall be
11 allocated for a rural home visit program. Equal consideration shall
12 be given to all eligible evidence-based providers in all regions in
13 contracting for rural home visitation services.

14 Sec. 1312. From the funds appropriated in part 1 for prenatal
15 care and premature birth avoidance grant, the department shall
16 allocate \$1,000,000.00 as a grant to help fulfill contract
17 obligations between the department and a federal Healthy Start
18 Program located in a county with a population between 600,000 and
19 610,000 according to the most recent decennial census. To be
20 eligible to receive funding, the organization must be a partnership
21 between various health agencies, and utilize a social impact
22 bonding strategy approved by the department to enhance support to
23 underserved populations for prenatal care and premature birth
24 avoidance.

25 Sec. 1313. (1) The department shall continue developing an
26 outreach program on fetal alcohol syndrome services, targeting
27 health promotion, prevention, and intervention as described in the

1 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

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

5 Sec. 1314. The department shall seek to enhance education and
6 outreach efforts that encourage women of childbearing age to seek
7 confirmation at the earliest indication of possible pregnancy and
8 initiate continuous and routine prenatal care upon confirmation of
9 pregnancy. The department shall seek to ensure that department
10 programs, policies, and practices promote prenatal and obstetrical
11 care by doing the following:

12 (a) Supporting access to care.

13 (b) Reducing and eliminating barriers to care.

14 (c) Supporting recommendations for best practices.

15 (d) Encouraging optimal prenatal habits such as prenatal
16 medical visits, use of prenatal vitamins, and cessation of use of
17 tobacco, alcohol, or drugs.

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

21 (f) Tracking of maternal increase in healthy behaviors
22 following childbirth.

23 Sec. 1315. (1) From the funds appropriated in part 1 for
24 dental programs, \$150,000.00 shall be allocated to the Michigan
25 Dental Association for the administration of a volunteer dental
26 program that provides dental services to the uninsured.

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

1 shall report to the senate and house appropriations subcommittees
2 on the department budget, the senate and house standing committees
3 on health policy, the senate and house fiscal agencies, and the
4 state budget office the number of individual patients treated,
5 number of procedures performed, and approximate total market value
6 of those procedures from the previous fiscal year.

7 Sec. 1316. The department shall use revenue from mobile
8 dentistry facility permit fees received under section 21605 of the
9 public health code, 1978 PA 368, MCL 333.21605, to offset the cost
10 of the permit program.

11 Sec. 1317. (1) From the funds appropriated in part 1 for
12 dental programs, \$550,100.00 shall be distributed to local health
13 departments who partner with a qualified nonprofit provider of
14 dental services for the purpose of providing high-quality dental
15 homes for seniors, children, and adults enrolled in Medicaid, and
16 low-income uninsured.

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

22 (3) Providers shall report to the department by September 30
23 of the current fiscal year on outcomes and performance measures for
24 the program under this section including, but not limited to, the
25 following:

26 (a) The number of uninsured patients who visited a
27 participating dentist over the previous year, broken down between

1 adults and children.

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

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

6 (d) The number of unique patient visits by center.

7 (e) The number of unique Medicaid or Healthy Michigan plan
8 patients served broken down by center.

9 (f) The number of children, seniors, and veterans served
10 broken down by center.

11 (g) The total value of services rendered by the organization
12 broken down by center.

13 (4) Within 15 days after receipt of the report required in
14 subsection (3), the department shall provide a copy of the report
15 to the senate and house appropriations subcommittees on the
16 department budget, the senate and house fiscal agencies, the senate
17 and house policy offices, and the state budget office.

18 Sec. 1319. From the funds appropriated in part 1 for prenatal
19 care outreach and service delivery support, \$50.00 shall be
20 allocated to a nurse family partnership program in a county with a
21 population between 600,000 and 610,000 and \$50.00 shall be
22 allocated to a nurse family partnership program in a county with a
23 population between 270,000 and 290,000. Population data shall be
24 according to the most recent federal decennial census.

25 Sec. 1340. The department shall include national brand options
26 on the list of approved women, infants, and children special
27 supplemental nutrition program basket items for all categories.

1 Sec. 1341. The department shall utilize income eligibility and
2 verification guidelines established by the Food and Nutrition
3 Service agency of the United States Department of Agriculture in
4 determining eligibility of individuals for the special supplemental
5 nutrition program for women, infants, and children (WIC) as stated
6 in current WIC policy.

7 **EMERGENCY MEDICAL SERVICES, TRAUMA AND PREPAREDNESS**

8 Sec. 1350. The department shall not require a life support
9 agency that does not charge for its services to submit data to the
10 Michigan emergency medical services information system or any other
11 quality improvement program.

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

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

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

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

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

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

22 Sec. 1361. From the funds appropriated in part 1 for medical
23 care and treatment, the department may spend those funds for the
24 continued development and expansion of telemedicine capacity to
25 allow families with children in the children's special health care

1 services program to access specialty providers more readily and in
2 a more timely manner. The department may spend funds to support
3 chronic complex care management of children enrolled in the
4 children's special health care services program to minimize
5 hospitalizations and reduce costs to the program while improving
6 outcomes and quality of life.

7 **AGING AND ADULT SERVICES AGENCY**

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

12 Sec. 1403. (1) By February 1 of the current fiscal year, the
13 aging and adult services agency shall require each region to report
14 to the aging and adult services agency and to the legislature home-
15 delivered meals waiting lists based upon standard criteria.
16 Determining criteria shall include all of the following:

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

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

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

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

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

Senate Bill No. 139 as amended May 14, 2019

1 Sec. 1417. The department shall provide to the senate and
2 house appropriations subcommittees on the department budget, senate
3 and house fiscal agencies, and state budget director a report by
4 March 30 of the current fiscal year that contains all of the
5 following:

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

8 (b) Detail expenditure by each area agency on aging by
9 individual program and administration including both state-funded
10 resources and locally funded resources.

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

14 Sec. 1422. (1) From the funds appropriated in part 1 for aging
15 and adult services administration, not less than \$300,000.00 shall
16 be allocated for the department to contract with the Prosecuting
17 Attorneys Association of Michigan to provide the support and
18 services necessary to increase the capability of the state's
19 prosecutors, adult protective service system, and criminal justice
20 system to effectively identify, investigate, and prosecute elder
21 abuse and financial exploitation.

22 (2) By March 1 of the current fiscal year, the Prosecuting
23 Attorneys Association of Michigan shall provide a report on the
24 efficacy of the contract to the state budget office, the house and
25 senate appropriations subcommittees on the department budget, the
26 house and senate fiscal agencies, and the house and senate policy
27 offices.

<<Sec. 1424. From the funds appropriated in part 1 for community
services, \$100.00 is appropriated for Alzheimer's disease services and
shall be remitted to the Alzheimer's association-Michigan chapters. The
Alzheimer's association shall provide enhanced services, including 24/7
helpline, continued care consultation, and support groups, to individuals
with Alzheimer's disease or dementia and their families, and partner with
a Michigan public university to study whether provision of such in-home
support services significantly delays the need for residential long-term
care services for individuals with Alzheimer's disease or dementia. The
study must also consider potential cost savings related to the delay of
long-term care services, if a delay is shown.>>

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

MEDICAL SERVICES ADMINISTRATION

Sec. 1501. The unexpended funds appropriated in part 1 for the electronic health records incentive program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to implement the Medicaid electronic health record program that provides financial incentive payments to Medicaid health care providers to encourage the adoption and meaningful use of electronic health records to improve quality, increase efficiency, and promote safety.

(b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both, and according to the approved federal advanced planning document.

(c) The total estimated cost of the work project is

1 \$37,501,000.00.

2 (d) The tentative completion date is September 30, 2024.

3 Sec. 1502. If the department issues a new interpretation of
4 existing Medicaid provider policy directly effecting nursing
5 facility Medicaid cost reports, that change in policy must have a
6 prospective effective date. A policy may have a retrospective
7 effective date as part of a state plan amendment approval or waiver
8 approval, or if required by state law, federal law, or judicial
9 ruling.

10 Sec. 1503. It is the intent of the legislature that all funds
11 appropriated for information technology under this part shall
12 prioritize projects directly dedicated to protecting the public
13 health and safety through disease surveillance, cancer support,
14 vital records, chronic disease, newborn screenings, public health
15 registries, and associated training or technical assistance.

16 Sec. 1504. (1) From the funds appropriated in part 1 for
17 medical services administration, the department shall allocate
18 \$100.00 of general fund/general purpose revenue and any associated
19 federal match toward the existing cloud-based analytics platform
20 for Medicaid claims to focus on behavioral health services. The
21 vendor shall identify areas of best practice, cost reduction,
22 opportunities for quality improvement, and comparative cost
23 analysis among providers, hospitals, and managed care
24 organizations. Through the existing platform, the vendor shall
25 facilitate specific analysis of the unique behavioral health cohort
26 of patients that compares specific episodic metrics combined with
27 substance use disorder data for the same time period. The data

1 analysis shall include the ability to adjust for variations in
2 patient risk and acuity differences when comparing performance
3 across regions and hospitals. Specific analytics for this cohort
4 shall provide data analysis on, but not be limited to, the
5 following:

6 (a) Readmission rates.

7 (b) Mortality rates and complication rates.

8 (c) Total episode costs, including pre- and post-discharge
9 costs, across high-volume episodes of care.

10 (2) Within 30 days after the end of the previous fiscal
11 quarter, the department shall make available state medical
12 assistance program claims data from the previous quarter, without
13 charge, to the vendor in subsection (1).

14 Sec. 1505. By March 1 of the current fiscal year, the
15 department shall report to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, and the state budget office the actual increase in
18 reimbursement savings and cost offsets that have resulted from the
19 funds appropriated in part 1 for the office of inspector general
20 and third party liability efforts in the previous fiscal year.

21 Sec. 1506. The department shall submit to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies, the senate and house policy offices, and
24 the state budget office quarterly reports on the implementation
25 status of the public assistance call center that include all of the
26 following information:

27 (a) Call volume during the prior quarter.

1 (b) Percentage of calls resolved through the public assistance
2 call center.

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

5 Sec. 1508. (1) From the funds appropriated in part 1 for
6 medical services administration, \$500,100.00 is appropriated for
7 the operation and maintenance of the Michigan dental registry in
8 support of the enhanced dental benefit for the Healthy Kids Dental
9 program. Additionally, the department shall explore the expansion
10 of the scope of the Michigan dental registry to enhance the
11 Medicaid adult dental benefit for pregnant women.

12 (2) The department shall monitor childhood caries preventative
13 services delivered to pediatric Medicaid recipients in both medical
14 and dental settings. By March 1 of the current fiscal year, the
15 department shall submit a report to the senate and house
16 appropriations subcommittees on the department budget, the senate
17 and house fiscal agencies, the senate and house policy offices, and
18 the state budget office on the results of the program. The report
19 shall include, but not be limited to, all of the following:

20 (a) Comparative data on completed referral rates from
21 pediatric medical providers to dental providers.

22 (b) The reduction of caries in the Medicaid child population.

23 (c) Any associated long-term or short-term cost savings to the
24 Medicaid program.

25 (d) Comparative data on the type of preventative services
26 provided and which outcomes are the most effective to prevent and
27 foster prevention behavior.

1 Sec. 1509. By September 30 of the current fiscal year, the
2 department shall report to the senate and house appropriations
3 subcommittees on the department budget, the senate and house fiscal
4 agencies, the senate and house policy offices, and the state budget
5 office on the implementation of employment-related activity
6 requirements for medical assistance. The report shall include, but
7 is not limited to, the number of recipients who are noncompliant
8 with the required self-sufficiency goals, an explanation of the
9 actions undertaken, and the number of recipients subject to
10 employment-related activity requirements.

11 Sec. 1511. (1) From the funds appropriated in part 1 for
12 Healthy Michigan plan work supports, \$10,000,000.00 shall be
13 appropriated for employment and training-related services and
14 supports to assist Healthy Michigan plan recipients to secure and
15 maintain training and employment. The department shall work with
16 the department of talent and economic development to coordinate
17 with and complement existing employment-related services for the
18 Healthy Michigan plan recipient population.

19 (2) Funds appropriated in part 1 for Healthy Michigan plan
20 work supports may also be used to hire additional department field
21 staff to educate impacted Healthy Michigan plan recipients on
22 requirements and available services, make referrals, assess and
23 address barriers to employment, and manage other caseload-related
24 impacts resulting from the implementation of sections 107a and 107b
25 of the social welfare act, MCL 400.107a and 400.107b.

26 (3) On a monthly basis, the department shall report to the
27 senate and house appropriations subcommittees on the department

1 budget, the senate and house fiscal agencies, the senate and house
2 policy offices, and the state budget office on the implementation
3 of work engagement requirement employment supports and services.
4 The report shall include, but not be limited to, all of the
5 following:

6 (a) The number of recipients currently receiving employment
7 supports and services under this section.

8 (b) The total year-to-date number of recipients who have
9 received employment supports and services under this section.

10 (c) The number of recipients who secured employment in this
11 state after receiving employment supports and services under this
12 section.

13 (d) The total year-to-date number of field staff hired to
14 provide supports and services under this section.

15 (e) A summary of employment supports and services provided
16 under this section.

17 Sec. 1512. The department shall update the Medicaid
18 utilization and net cost report to separate nonclinical
19 administrative costs from actual claims and encounters.

20 Sec. 1513. (1) The department shall create and participate in
21 a workgroup to determine an equitable and adequate reimbursement
22 methodology for Medicaid inpatient psychiatric hospital care. The
23 workgroup shall include representatives from the department, the
24 community mental health services programs, the prepaid inpatient
25 health plans, the Michigan Association of Health Plans, the
26 Michigan Health and Hospital Association, inpatient psychiatric
27 facilities, Blue Cross Blue Shield of Michigan, the Michigan

1 Association of Community Mental Health Boards, and other
2 individuals and organizations considered appropriate by the
3 department.

4 (2) By September 30 of the current fiscal year, the workgroup
5 shall report to the senate and house appropriations subcommittees
6 on the department budget, the senate and house fiscal agencies, the
7 senate and house policy offices, and the state budget office on all
8 of the following:

9 (a) Recommended statewide per diem rate covering professional
10 and facility costs.

11 (b) A list of factors, with assigned weights, that impact the
12 provision of care in the inpatient psychiatric hospital care and
13 recommendations for addressing those factors. Factors must include,
14 but are not limited to, the following:

15 (i) Patient severity level, based on APR-DRGs.

16 (ii) Patient acuity level.

17 (iii) Involuntary stay.

18 (iv) Patient violence level.

19 (v) Presence of a developmental disability.

20 (vi) Need for 1-1 care.

21 (vii) State bed transfer for patients awaiting transfer to a
22 state bed.

23 (c) The recommended state funding level for inpatient
24 psychiatric hospital care to ensure inpatient psychiatric hospital
25 reimbursement is equitable across hospitals and adequately covers
26 hospital costs.

27 (d) Recommendations for separate additional reimbursement for

1 the following:

2 (i) High cost capital improvements including nonfunded
3 government mandates.

4 (ii) Costs to bring involuntary patients to court or
5 telecourt.

6 (iii) Costs to cover the required 2 weeks of medications at
7 discharge.

8 (iv) Transitions of care interventions by a hospital social
9 worker when there are additional needs above standard discharge
10 planning.

11 (v) Telehealth services, including pre-admission screening on
12 inpatient units, assessments by a nonphysician provider, and
13 ongoing psychiatric care.

14 (vi) Provide funding support for emergency department stays
15 while patients await appropriate transfer or admission.

16 (vii) Provide reimbursement for mental health evaluation
17 consultations conducted by specialists in the emergency department.

18 (3) The department shall assist in providing data to inform
19 the workgroup discussion, assist in modeling appropriate
20 reimbursement methods, and assist in developing the final report.

21 Sec. 1514. (1) For the purpose of reimbursement for Medicaid
22 services furnished via a telecommunications system, the department
23 shall expand the definition of "originating site" to include the
24 patient's home, or any other established site considered
25 appropriate by the provider.

26 (2) For the purpose of reimbursement for Medicaid services
27 furnished via a telecommunications system, the department shall

1 expand the definition of "distant site" to include the provider's
2 office, or any established site considered appropriate by the
3 provider.

4 **MEDICAL SERVICES**

5 Sec. 1601. The cost of remedial services incurred by residents
6 of licensed adult foster care homes and licensed homes for the aged
7 shall be used in determining financial eligibility for the
8 medically needy. Remedial services include basic self-care and
9 rehabilitation training for a resident.

10 Sec. 1603. (1) The department may establish a program for
11 individuals to purchase medical coverage at a rate determined by
12 the department.

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

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

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

22 Sec. 1606. For the purpose of guardian and conservator
23 charges, the department may deduct up to \$83.00 per month as an
24 allowable expense against a recipient's income when determining
25 medical services eligibility and patient pay amounts.

26 Sec. 1607. (1) An applicant for Medicaid, whose qualifying

1 condition is pregnancy, shall immediately be presumed to be
2 eligible for Medicaid coverage unless the preponderance of evidence
3 in her application indicates otherwise. The applicant who is
4 qualified as described in this subsection shall be allowed to
5 select or remain with the Medicaid participating obstetrician of
6 her choice.

7 (2) All qualifying applicants shall be entitled to receive all
8 medically necessary obstetrical and prenatal care without
9 preauthorization from a health plan. All claims submitted for
10 payment for obstetrical and prenatal care shall be paid at the
11 Medicaid fee-for-service rate in the event a contract does not
12 exist between the Medicaid participating obstetrical or prenatal
13 care provider and the managed care plan. The applicant shall
14 receive a listing of Medicaid physicians and managed care plans in
15 the immediate vicinity of the applicant's residence.

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

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

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

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

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

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

24 (2) Notwithstanding subsection (1), medical services
25 reimbursement for hospital services provided to dual
26 Medicare/medical services recipients with Medicare part B coverage
27 only shall equal, when combined with payments for Medicare and

1 other third-party resources, if any, those amounts established for
2 medical services-only patients, including capital payments.

3 Sec. 1620. (1) For fee-for-service Medicaid recipients, the
4 professional dispensing fee for drugs indicated as specialty
5 medications on the Michigan pharmaceutical products list is \$20.02
6 or the pharmacy's usual or customary cash charge, whichever is
7 less.

8 (2) For fee-for-service Medicaid recipients, for drugs not
9 indicated as specialty drugs on the Michigan pharmaceutical
10 products list, the professional dispensing fee for medications is
11 as follows:

12 (a) For medications indicated as preferred on the department's
13 preferred drug list, \$10.80 or the pharmacy's usual or customary
14 cash charge, whichever is less.

15 (b) For medications not on the department's preferred drug
16 list, \$10.64 or the pharmacy's usual or customary cash charge,
17 whichever is less.

18 (c) For medications indicated as nonpreferred on the
19 department's preferred drug list, \$9.00 or the pharmacy's usual or
20 customary cash charge, whichever is less.

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

1 (4) The department shall require a prescription co-payment for
2 Medicaid recipients enrolled in the Healthy Michigan plan with an
3 income of at least 100% of the federal poverty level of \$4.00 for a
4 generic drug indicated as preferred on the department's preferred
5 drug list and \$8.00 for a brand-name drug indicated as nonpreferred
6 on the department's preferred drug list, except as prohibited by
7 federal or state law or regulation.

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

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

16 (2) Except as otherwise prohibited by federal or state law or
17 regulation, the department shall require Medicaid recipients not
18 enrolled in the Healthy Michigan plan or with an income less than
19 100% of the federal poverty level to pay not less than the
20 following co-payments:

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

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

23 (c) Fifty dollars for the first day of an inpatient hospital
24 stay.

25 (d) Two dollars for an outpatient hospital visit.

26 (3) Except as otherwise prohibited by federal or state law or
27 regulation, the department shall require Medicaid recipients

1 enrolled in the Healthy Michigan plan with an income of at least
2 100% of the federal poverty level to pay the following co-payments:

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

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

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

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

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

14 Sec. 1644. From the funds appropriated in part 1 for hospital
15 services and therapy, the department shall appropriate \$100.00
16 general fund/general purpose revenue and any associated federal
17 match to a nonprofit Michigan health system organized under the
18 laws of this state that is exempt from federal income tax under
19 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
20 that operates not less than 3 licensed adult psychiatric inpatient
21 programs located in counties with a population not less than
22 1,000,000 and with a planned new hospital dedicated to mental
23 health located in a city with a population between 98,000 and
24 98,500 according to the most recent decennial census for the
25 purpose of supporting a new psychiatric residency training program.

26 Sec. 1645. (1) For the current fiscal year, the department
27 shall establish the class I nursing facility current asset value

1 bed limit based on the rolling 15-year history of new construction.

2 (2) It is the intent of the legislature that, for the fiscal
3 year beginning October 1, 2020, the department shall modify the
4 class I nursing facility current asset value bed limit based on the
5 rolling 15-year history of new construction. The increase in the
6 current asset value bed limit shall not exceed 4% of the limit for
7 the fiscal year beginning October 1, 2019.

8 Sec. 1646. (1) From the funds appropriated in part 1 for long-
9 term care services, the department shall continue to administer a
10 nursing facility quality measure initiative program. The initiative
11 shall be financed through the quality assurance assessment for
12 nursing homes and hospital long-term care units, and the funds
13 shall be distributed according to the following criteria:

14 (a) The department shall award more dollars to nursing
15 facilities that have a higher CMS 5-star quality measure domain
16 rating, then adjusted to account for both positive and negative
17 aspects of a patient satisfaction survey.

18 (b) A nursing facility with a CMS 5-star quality measure
19 domain star rating of 1 or 2 must file an action plan with the
20 department describing how it intends to use funds appropriated
21 under this section to increase quality outcomes before funding
22 shall be released.

23 (c) The total incentive dollars must reflect the following
24 Medicaid utilization scale:

25 (i) For nursing facilities with a Medicaid participation rate
26 of above 63%, the facility shall receive 100% of the incentive
27 payment.

1 (ii) For nursing facilities with a Medicaid participation rate
2 between 50% and 63%, the facility shall receive 75% of the
3 incentive payment.

4 (iii) For nursing facilities with a Medicaid participation
5 rate of less than 50%, the facility shall receive a payment
6 proportionate to their Medicaid participation rate.

7 (iv) For nursing facilities not enrolled in Medicaid, the
8 facility shall not receive an incentive payment.

9 (d) Facilities designated as special focus facilities are not
10 eligible for any payment under this section.

11 (e) Number of licensed beds.

12 (2) The department and nursing facility representatives shall
13 evaluate the program's effectiveness on quality, measured by the
14 change in the CMS 5-star quality measure domain rating since the
15 implementation of this section. By March 1 of the current fiscal
16 year, the department shall report to the senate and house
17 appropriations subcommittees on the department budget, the senate
18 and house fiscal agencies, and the senate and house policy offices
19 on the findings of the evaluation.

20 Sec. 1657. (1) Reimbursement for medical services to screen
21 and stabilize a Medicaid recipient, including stabilization of a
22 psychiatric crisis, in a hospital emergency room shall not be made
23 contingent on obtaining prior authorization from the recipient's
24 HMO. If the recipient is discharged from the emergency room, the
25 hospital shall notify the recipient's HMO within 24 hours of the
26 diagnosis and treatment received.

27 (2) If the treating hospital determines that the recipient

1 will require further medical service or hospitalization beyond the
2 point of stabilization, that hospital shall receive authorization
3 from the recipient's HMO prior to admitting the recipient.

4 (3) Subsections (1) and (2) do not require an alteration to an
5 existing agreement between an HMO and its contracting hospitals and
6 do not require an HMO to reimburse for services that are not
7 considered to be medically necessary.

8 Sec. 1659. The following sections of this part are the only
9 ones that shall apply to the following Medicaid managed care
10 programs, including the comprehensive plan, MIChoice long-term care
11 plan, and the mental health, substance use disorder, and
12 developmentally disabled services program: 904, 908, 911, 918, 920,
13 924, 928, 942, 964, 994, 999, 1008, 1009, 1514, 1607, 1657, 1662,
14 1670, 1673, 1677, 1696, 1697, 1699, 1700, 1702, 1704, 1757, 1763,
15 1764, 1775, 1791, 1801, 1806, 1809, 1820, 1850, 1862, 1871, 1874,
16 1875, 1882, 1888, and 1894.

17 Sec. 1662. (1) The department shall ensure that an external
18 quality review of each contracting HMO is performed that results in
19 an analysis and evaluation of aggregated information on quality,
20 timeliness, and access to health care services that the HMO or its
21 contractors furnish to Medicaid beneficiaries.

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

26 (3) The department shall provide a copy of the analysis of the
27 Medicaid HMO annual audited HEDIS reports and the annual external

1 quality review report to the senate and house of representatives
2 appropriations subcommittees on the department budget, the senate
3 and house fiscal agencies, and the state budget director, within 30
4 days of the department's receipt of the final reports from the
5 contractors.

6 Sec. 1670. (1) The appropriation in part 1 for the MICHild
7 program is to be used to provide comprehensive health care to all
8 children under age 19 who reside in families with income at or
9 below 212% of the federal poverty level, who are uninsured and have
10 not had coverage by other comprehensive health insurance within 6
11 months of making application for MICHild benefits, and who are
12 residents of this state. The department shall develop detailed
13 eligibility criteria through the medical services administration
14 public concurrence process, consistent with the provisions of this
15 part and part 1.

16 (2) The department may provide up to 1 year of continuous
17 eligibility to children eligible for the MICHild program unless the
18 family fails to pay the monthly premium, a child reaches age 19, or
19 the status of the children's family changes and its members no
20 longer meet the eligibility criteria as specified in the state
21 plan.

22 (3) The department may make payments on behalf of children
23 enrolled in the MICHild program as described in the MICHild state
24 plan approved by the United States Department of Health and Human
25 Services, or from other medical services.

26 Sec. 1673. The department may establish premiums for MICHild
27 eligible individuals in families with income at or below 212% of

1 the federal poverty level. The monthly premiums shall be \$10.00 per
2 month.

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

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

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

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

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

19 (e) Substance use disorder treatment services that may include
20 inpatient, outpatient, and residential substance use disorder
21 treatment services.

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

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

25 (h) Emergency ambulance services.

26 Sec. 1682. (1) In addition to the appropriations in part 1,
27 the department is authorized to receive and spend penalty money

1 received as the result of noncompliance with medical services
2 certification regulations. Penalty money, characterized as private
3 funds, received by the department shall increase authorizations and
4 allotments in the long-term care accounts.

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

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

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

19 (a) Finance activities within the medical services
20 administration related to this project.

21 (b) Reimburse participating school districts pursuant to the
22 fund-sharing ratios negotiated in the state-local agreements
23 authorized in subsection (1).

24 (c) Offset general fund costs associated with the medical
25 services program.

26 Sec. 1693. The special Medicaid reimbursement appropriation in
27 part 1 may be increased if the department submits a medical

1 services state plan amendment pertaining to this line item at a
2 level higher than the appropriation. The department is authorized
3 to appropriately adjust financing sources in accordance with the
4 increased appropriation.

5 Sec. 1694. From the funds appropriated in part 1 for special
6 Medicaid reimbursement, \$966,700.00 of general fund/general purpose
7 revenue and any associated federal match shall be distributed for
8 poison control services to an academic health care system that has
9 a high indigent care volume.

10 Sec. 1696. If an applicant for Medicaid coverage through the
11 Healthy Michigan plan received medical coverage in the previous
12 fiscal year through traditional Medicaid, and is still eligible for
13 coverage through traditional Medicaid, the applicant is not
14 eligible to receive coverage through the Healthy Michigan plan.

15 Sec. 1697. The department shall require that Medicaid health
16 plans administering Healthy Michigan plan benefits maintain a
17 network of dental providers in sufficient numbers, mix, and
18 geographic locations throughout their respective service areas in
19 order to provide adequate dental care for Healthy Michigan plan
20 enrollees.

21 Sec. 1699. (1) The department may make separate payments in
22 the amount of \$45,000,000.00 directly to qualifying hospitals
23 serving a disproportionate share of indigent patients and to
24 hospitals providing GME training programs. If direct payment for
25 GME and DSH is made to qualifying hospitals for services to
26 Medicaid recipients, hospitals shall not include GME costs or DSH
27 payments in their contracts with HMOs.

1 (2) The department shall allocate \$45,000,000.00 in DSH
2 funding using the distribution methodology used in fiscal year
3 2003-2004.

4 Sec. 1700. (1) By December 1 of the current fiscal year, the
5 department shall report to the senate and house appropriations
6 subcommittees on the department budget, the senate and house fiscal
7 agencies, and the state budget office on the distribution of
8 funding provided, and the net benefit if the special hospital
9 payment is not financed with general fund/general purpose revenue,
10 to each eligible hospital during the previous fiscal year from the
11 following special hospital payments:

12 (a) DSH, separated out by unique DSH pool.

13 (b) GME.

14 (c) Special rural hospital payments provided under section
15 1802(2) of this part.

16 (d) Lump-sum payments to rural hospitals for obstetrical care
17 provided under section 1802(1) of this part.

18 (2) By August 1 of the current fiscal year, the department
19 shall report to the senate and house appropriations subcommittees
20 on the department budget, the senate and house fiscal agencies, and
21 the state budget office on the projected distribution of funding,
22 and the projected net benefit if the special hospital payment is
23 not financed with general fund/general purpose revenue, to each
24 eligible hospital from the following special hospital payments:

25 (a) DSH, separated out by unique DSH pool.

26 (b) GME.

27 (c) Special rural hospital payments provided under section

1 1802(2) of this part.

2 (d) Lump-sum payments to rural hospitals for obstetrical care
3 provided under section 1802(1) of this part.

4 Sec. 1702. From the funds appropriated in part 1, the
5 department shall maintain the 15% rate increase provided during the
6 fiscal year ending September 30, 2017 for private duty nursing
7 services for Medicaid beneficiaries under the age of 21. These
8 additional funds must be used to attract and retain highly
9 qualified registered nurses and licensed practical nurses to
10 provide private duty nursing services so that medically frail
11 children can be cared for in the most homelike setting possible.

12 Sec. 1704. (1) From the funds appropriated in part 1 for
13 health plan services, the department shall maintain the Medicaid
14 adult dental benefit for pregnant women enrolled in a Medicaid
15 program.

16 (2) Outcomes and performance measures for the program change
17 under this section include, but are not limited to, the following:

18 (a) The number of pregnant women enrolled in Medicaid who
19 visited a dentist over the prior year.

20 (b) The number of dentists statewide who participate in
21 providing dental services to pregnant women enrolled in Medicaid.

22 Sec. 1730. The department shall continue to maintain enhanced
23 assessment tools established in collaboration with the department
24 of education that promote literacy development of pregnant women
25 and new mothers in the maternal infant health program. When
26 possible, the department shall include new fathers of the infants
27 in the literacy promotion efforts that are included in the

1 assessment tools and in the subsequent services provided. The
2 assessment tools shall expand the assessment of maternal and
3 parental literacy and provide support and referrals to resources to
4 enable program participants to achieve an increase in literacy that
5 may contribute to improvements in family health, economic, and life
6 outcomes.

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

11 Sec. 1763. During the next contract renewal period, the
12 department shall issue an RFP for a 3-year contract for actuarial
13 services, including, but not limited to, capitation rate setting
14 for Medicaid and the Healthy Michigan plan. The department shall
15 notify the senate and house appropriations subcommittees on the
16 department budget, the senate and house fiscal agencies, and the
17 senate and house policy offices on what vendors submitted bids for
18 the contract, which vendor received the contract, the evaluation
19 process, and the criteria used once an award for actuarial services
20 has been made.

21 Sec. 1764. The department shall annually certify whether rates
22 paid to Medicaid health plans and specialty PIHPs are actuarially
23 sound in accordance with federal requirements and shall provide a
24 copy of the rate certification and approval of rates paid to
25 Medicaid health plans and specialty PIHPs within 5 business days
26 after certification or approval to the senate and house
27 appropriations subcommittees on the department budget, the senate

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1 and house fiscal agencies, and the state budget office. Following
2 the rate certification, the department shall ensure that no new or
3 revised state Medicaid policy bulletin that is promulgated
4 materially impacts the capitation rates that have been certified in
5 a negative manner.

6 Sec. 1775. (1) By March 1 of the current fiscal year, the
7 department shall report to the senate and house appropriations
8 subcommittees on the department budget, the senate and house fiscal
9 agencies, and the state budget office on progress in implementing
10 the waiver to implement managed care for individuals who are
11 eligible for both Medicare and Medicaid, known as MI Health Link,
12 any problems and potential solutions as identified by the ombudsman
13 described in subsection (2).

14 (2) The department shall ensure the existence of an ombudsman
15 program that is not associated with any project service manager or
16 provider to assist MI Health Link beneficiaries with navigating
17 complaint and dispute resolution mechanisms and to identify
18 problems in the demonstrations and in the complaint and dispute
19 resolution mechanisms.

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Sec. 1782. Subject to federal approval, from the funds appropriated in part 1 for health plan services, the department shall allocate \$740,000.00 general fund/general purpose plus any available work project funds and federal match through an administered contract with oversight from Medical Services Administration and Population Health. The funds shall be used to support a statewide media campaign for improving this state's immunization rates.

Sec. 1791. From the funds appropriated in part 1 for health plan services and physician services, the department shall provide Medicaid reimbursement rates for neonatal services at 95% of the Medicare rate received for those services in effect on the date the services are provided to eligible Medicaid recipients. The current procedural terminology (CPT) codes that are eligible for this reimbursement rate increase are 99468, 99469, 99471, 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

Sec. 1792. By April 30 of the current fiscal year, the department shall evaluate pharmacy encounter data through the first 2 quarters of the fiscal year to determine in consultation with the Medicaid health plans if rates must be recertified.

Sec. 1800. For the distribution of each of the pools within the \$85,000,000.00 outpatient disproportionate share hospital payment, the department shall maintain a formula for the

1 distribution of each pool based on the quality of care, cost,
2 traditional disproportionate share hospital factors such as
3 Medicaid utilization and uncompensated care, and any other factor
4 that the department determines should be considered.

5 Sec. 1801. From the funds appropriated in part 1 for physician
6 services and health plan services, the department shall continue
7 the increase to Medicaid rates for primary care services provided
8 only by primary care providers. For the purpose of this section, a
9 primary care provider is a physician, or a practitioner working
10 under the personal supervision of a physician, who is either
11 licensed under part 170 or part 175 of the public health code, 1978
12 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and
13 working as a primary care provider in general practice or board-
14 eligible or certified with a specialty designation of family
15 medicine, general internal medicine, or pediatric medicine, or a
16 provider who provides the department with documentation of
17 equivalency. Providers performing a service and whose primary
18 practice is as a non-primary-care subspecialty is not eligible for
19 the increase. The department shall establish policies that most
20 effectively limit the increase to primary care providers for
21 primary care services only.

22 Sec. 1802. (1) From the funds appropriated in part 1 for
23 hospital services and therapy, \$9,178,300.00 in general
24 fund/general purpose revenue shall be provided as lump-sum payments
25 to hospitals that qualified for rural hospital access payments in
26 fiscal year 2013-2014 and that provide obstetrical care in the
27 current fiscal year. Payment amounts shall be based on the volume

1 of obstetrical care cases and newborn care cases for all such cases
2 billed by each qualified hospital in the most recent year for which
3 data is available. Payments shall be made by January 1 of the
4 current fiscal year.

5 (2) From the funds appropriated in part 1 for hospital
6 services and therapy and Healthy Michigan plan, \$19,800,000.00 in
7 general fund/general purpose revenue and any associated federal
8 match shall be awarded as rural access payments to hospitals that
9 meet criteria established by the department for services to low-
10 income rural residents. One of the reimbursement components of the
11 distribution formula shall be assistance with labor and delivery
12 services. The department shall ensure that the rural access
13 payments described in this subsection shall be distributed in a
14 manner that ensures both of the following:

15 (a) No hospital or hospital system shall receive more than
16 10.0% of the total funding referenced in this subsection.

17 (b) To allow hospitals to understand their rural payment
18 amounts under this subsection, the department shall provide
19 hospitals with the methodology for distribution under this
20 subsection and provide each hospital with its applicable data that
21 are used to determine the payment amounts by August 1 of the
22 current fiscal year. The department shall publish the distribution
23 of payments for the current fiscal year and the immediately
24 preceding fiscal year.

25 (3) From the funds appropriated in part 1 for hospital
26 services and therapy, \$100.00 in general fund/general purpose
27 revenue and any associated federal match shall be provided as

1 critical access payments to critical access hospitals.

2 Sec. 1803. To the extent allowed under federal law or
3 regulation, the department shall establish rules to allow for
4 billing to and reimbursement by the Medicaid program directly for
5 transportation charges related to portable x-ray services rendered
6 to patients residing in a nursing facility or an assisted living
7 facility, or who are otherwise homebound. The corresponding
8 reimbursement policies shall be effective as of October 1 of the
9 current fiscal year.

10 Sec. 1804. (1) The department shall enter into an interagency
11 agreement, in cooperation with the department of military and
12 veterans affairs, in order to work with the federal public
13 assistance reporting information system to identify Medicaid
14 recipients who are veterans and who may be eligible for federal
15 veterans health care benefits or other benefits. The interagency
16 agreement shall include the specific outcome and performance
17 reporting requirements described in this section. The interagency
18 agreement shall require the department of military and veterans
19 affairs to provide all of the following items by January 1 of the
20 current fiscal year to the senate and house appropriations
21 subcommittees on the department budget, the senate and house fiscal
22 agencies, and the senate and house policy offices:

23 (a) The number of veterans identified by the department
24 through eligibility determinations.

25 (b) The number of veterans referred to the department of
26 military and veterans affairs.

27 (c) The number of referrals made by the department that were

1 contacted by the department of military and veterans affairs.

2 (d) The number of referrals made by the department that were
3 eligible for veterans health care benefits or other benefits.

4 (e) The specific actions and efforts undertaken by the
5 department and the department of military and veterans affairs to
6 identify female veterans who are applying for public assistance
7 benefits, but who are eligible for veterans benefits.

8 (2) By October 1 of the current fiscal year, the department
9 shall change the public assistance application form from asking
10 whether the prospective applicant was a veteran to asking whether
11 the applicant had ever served in the military.

12 Sec. 1805. Acute care hospitals receiving medical services
13 payments for graduate medical education shall submit fully
14 completed quality data to a nonprofit organization with extensive
15 experience in collecting and reporting hospital quality data on a
16 public website. The reporting must utilize consensus-based
17 nationally endorsed standards that meet National Quality Forum-
18 endorsed safe practices. The organization collecting the data must
19 be an organization that uses severity-adjusted risk models and
20 measures that will help patients and payers identify hospital
21 campuses likely to have superior outcomes. The public website shall
22 provide information to allow consumers to compare safe practices by
23 hospital campus, including, but not limited to, perinatal care,
24 hospital-acquired infection, and serious reportable events. Acute
25 care hospitals receiving medical services payments for graduate
26 medical education shall also make their fully completed quality
27 data available on the hospital's website. The department shall

1 withhold 25% of a hospital's graduate medical education payment if
2 the hospital does not submit the data to a qualifying nonprofit
3 organization described in this section by January 1 of the current
4 fiscal year.

5 Sec. 1806. (1) The department shall contractually require the
6 Medicaid health plans to report to the department by February 1 of
7 the current fiscal year on the following:

8 (a) The progress of implementing the Medicaid health plan
9 common formulary.

10 (b) The participation by the Medicaid health plans in the
11 Medicaid health plan common formulary.

12 (c) The timeliness of prior authorization approvals or
13 disapprovals.

14 (2) By March 1 of the current fiscal year, the department
15 shall provide the Medicaid health plan report provided in
16 subsection (1) and identify any areas of inconsistency across the
17 Medicaid health plans' implementation and utilization of the
18 Medicaid health plan common formulary to the house and senate
19 appropriations subcommittees on the department budget, the house
20 and senate fiscal agencies, and the state budget office.

21 (3) The department shall maintain policies and procedures to
22 govern the operations of the Michigan Medicaid health plan common
23 formulary so that the department is able to receive fair and full
24 public participation.

25 Sec. 1809. The department shall establish separate contract
26 performance standards for Medicaid health plans that adhere to the
27 requirements of section 105d of the social welfare act, 1939 PA

1 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation
2 withhold. The determination of the performance of the 0.75%
3 capitation withhold is at the discretion of the department but must
4 include recognized concepts such as 1-year continuous enrollment
5 and the HEDIS audited data. The determination of the performance of
6 the 0.25% capitation withhold is at the discretion of the
7 department but must include the utilization of high-value services
8 and discouraging the utilization of low-value services.

9 Sec. 1810. The department shall enhance encounter data
10 reporting processes and develop rules that would make each health
11 plan's encounter data as complete as possible, provide a fair
12 measure of acuity for each health plan's enrolled population for
13 risk adjustment purposes, capitation rate setting, diagnosis-
14 related group rate setting, and research and analysis of program
15 efficiencies while minimizing health plan administrative expense.
16 In advance of the annual rate setting development, Medicaid health
17 plans shall be given at least 60 days to dispute and correct any
18 discarded encounter data before rates are certified. The department
19 shall notify each contracting Medicaid health plan of any encounter
20 data that have not been accepted for the purposes of rate setting.

21 Sec. 1812. By June 1 of the current fiscal year, and using the
22 most recent available cost reports, the department shall complete a
23 report of all direct and indirect costs associated with residency
24 training programs for each hospital that receives funds
25 appropriated in part 1 for graduate medical education. The report
26 shall be submitted to the house and senate appropriations
27 subcommittees on the department budget, the house and senate fiscal

1 agencies, and the state budget office.

2 Sec. 1820. (1) In order to avoid duplication of efforts, the
3 department shall utilize applicable national accreditation review
4 criteria to determine compliance with corresponding state
5 requirements for Medicaid health plans that have been reviewed and
6 accredited by a national accrediting entity for health care
7 services.

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

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

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

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

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

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

27 Sec. 1850. The department may allow Medicaid health plans to

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

7 Sec. 1851. From the funds appropriated in part 1 for adult
8 home help services, the department shall allocate up to \$150,000.00
9 state general fund/general purpose revenue plus any associated
10 federal match to develop and deploy a mobile electronic visit
11 verification solution to create administrative efficiencies, reduce
12 error, and minimize fraud. The development of the solution shall be
13 predicated on input from the results of the 2017 stakeholder
14 survey.

15 Sec. 1855. From the funds appropriated in part 1 for program
16 of all-inclusive care for the elderly (PACE), to the extent that
17 funding is available in the PACE line item and unused program slots
18 are available, the department may do the following:

19 (a) Increase the number of slots for an already established
20 local PACE program if the local PACE program has provided
21 appropriate documentation to the department indicating its ability
22 to expand capacity to provide services to additional PACE clients.

23 (b) Suspend the 10 member per month individual PACE program
24 enrollment increase cap in order to allow unused and unobligated
25 slots to be allocated to address unmet demand for PACE services.

26 Sec. 1856. (1) From the funds appropriated in part 1 for
27 hospice services, \$100.00 shall be expended to provide room and

1 board for Medicaid recipients who meet hospice eligibility
2 requirements and receive services at Medicaid enrolled hospice
3 residences in this state. The department shall distribute funds
4 through grants based on the total beds located in all eligible
5 residences that have been providing these services as of October 1,
6 2017. Any eligible grant applicant may inform the department of
7 their request to reduce the grant amount allocated for their
8 residence and the funds shall be distributed proportionally to
9 increase the total grant amount of the remaining grant-eligible
10 residences. Grant amounts shall be paid out monthly with 1/12 of
11 the total grant amount distributed each month to the grantees.

12 (2) By September 15 of the current fiscal year, each Medicaid-
13 enrolled hospice with a residence that receives funds under this
14 section shall provide a report to the department on the utilization
15 of the grant funding provided in subsection (1). The report shall
16 be provided in a format prescribed by the department and shall
17 include the following:

18 (a) The number of patients served.

19 (b) The number of days served.

20 (c) The daily room and board rates for the patients served.

21 (d) If there is not sufficient funding to cover the total room
22 and board need, the number of patients who did not receive care due
23 to insufficient grant funding.

24 (3) If there is funding remaining at the end of the current
25 fiscal year, the Medicaid-enrolled hospice with a residence shall
26 return funding to the state.

27 Sec. 1857. By July 1 of the current fiscal year, the

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1 department shall explore the implementation of a managed care long-
2 term support service. <<

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13 Sec. 1858. By April 1 of the current fiscal year, the
14 department shall report to the senate and house appropriations
15 subcommittees on the department budget and the senate and house
16 fiscal agencies on all of the following elements related to the
17 current Medicaid pharmacy carve-out of pharmaceutical products as
18 provided for in section 109h of the social welfare act, 1939 PA
19 280, MCL 400.109h:

20 (a) The number of prescriptions paid by the department during
21 the previous fiscal year.

22 (b) The total amount of expenditures for prescriptions paid by
23 the department during the previous fiscal year.

24 (c) The number of and total expenditures for prescriptions
25 paid for by the department for generic equivalents during the
26 previous fiscal year.

27 Sec. 1859. The department shall partner with the Michigan

1 Association of Health Plans (MAHP) and Medicaid health plans to
2 develop and implement strategies for the use of information
3 technology services for Medicaid research activities. The
4 department shall make available state medical assistance program
5 data, including Medicaid behavioral data, to MAHP and Medicaid
6 health plans or any vendor considered qualified by the department
7 for the purpose of research activities consistent with this state's
8 goals of improving health; increasing the quality, reliability,
9 availability, and continuity of care; and reducing the cost of care
10 for the eligible population of Medicaid recipients.

11 Sec. 1860. By March 1 of the current fiscal year, the
12 department shall provide a report to the senate and house
13 appropriations subcommittees, the senate and house fiscal agencies,
14 and the state budget office on uncollected co-pays and premiums in
15 the Healthy Michigan plan, the Medicaid managed care program, and
16 the Medicaid fee-for-service program. The report shall include
17 information on the number of participants who have not paid their
18 co-pays and premiums, the total amount of uncollected co-pays and
19 premiums, and steps taken by the department and health plans to
20 ensure greater collection of co-pays and premiums.

21 Sec. 1861. From the funds appropriated in part 1 for
22 transportation, the department shall maintain the previous fiscal
23 year increase in the number of counties in which a local public
24 transportation entity is the primary administrator of the Medicaid
25 nonemergency transportation benefit. The department shall use a
26 nonprofit transportation brokerage already operating in the state
27 to carry out the requirements of this section. The purpose of the

1 program is to improve Medicaid beneficiary access to care, reduce
2 the number of missed physician appointments by Medicaid
3 beneficiaries, and reduce time spent by caseworkers facilitating
4 nonemergency transportation for Medicaid beneficiaries. Performance
5 goals include an increase in utilization of local public
6 transportation, a reduction in the rate of trips reported as missed
7 to no more than 0.5%, and the successful collection of data on
8 program utilization, access, and beneficiary satisfaction.

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

12 Sec. 1870. (1) From the funds appropriated in part 1 for
13 hospital services and therapy, the department shall appropriate
14 \$5,000,000.00 in general fund/general purpose revenue plus any
15 contributions from public entities, up to \$5,000,000.00, and any
16 associated federal match to the MiDocs consortium to create new
17 primary care residency slots in underserved communities. The new
18 primary care residency slots must be in 1 of the following
19 specialties: family medicine, general internal medicine, general
20 pediatrics, general OB-GYN, psychiatry, or general surgery.

21 (2) The department shall seek any necessary approvals from CMS
22 to allow the department to implement the program described in this
23 section.

24 (3) Assistance with repayment of medical education loans, loan
25 interest payments, or scholarships provided by MiDocs shall be
26 contingent upon a minimum 2-year commitment to practice in an
27 underserved community in this state post-residency and an agreement

1 to forego any sub-specialty training for at least 2 years post-
2 residency.

3 (4) The MiDocs shall work with the department to integrate the
4 Michigan inpatient psychiatric admissions discussion (MIPAD)
5 recommendations and, when possible, prioritize training
6 opportunities in state psychiatric hospitals and community mental
7 health organizations.

8 (5) In collaboration with the Michigan Health Council, the
9 MiDocs consortium shall reserve at least 3 residency slots per
10 class to be used for the Michigan early primary care incentive
11 program.

12 (6) The department shall create a MiDocs initiative advisory
13 council to help support implementation of the program described in
14 this section, and provide oversight. The advisory council shall be
15 composed of the MiDocs consortium, the Michigan Area Health
16 Education Centers, the Michigan Primary Care Association, the
17 Michigan Center for Rural Health, the Michigan Academy of Family
18 Physicians, and any other appointees designated by the department.

19 (7) By September 1 of the current fiscal year, MiDocs shall
20 report to the senate and house appropriations subcommittees on the
21 department budget, the senate and house fiscal agencies, the senate
22 and house policy offices, and the state budget office, on the
23 following:

24 (a) Audited financial statement of per-resident costs.

25 (b) Education and clinical quality data.

26 (c) Roster of trainees, including areas of specialty and
27 locations of training.

1 (d) Medicaid revenue by training site.

2 (8) Outcomes and performance measures for this program
3 include, but are not limited to, the following:

4 (a) Increasing this state's ability to recruit, train, and
5 retain primary care physicians and other select specialty
6 physicians in underserved communities.

7 (b) Maximizing training opportunities with community health
8 centers, rural critical access hospitals, solo or group private
9 practice physician practices, schools, and other community-based
10 clinics, in addition to required rotations at inpatient hospitals.

11 (c) Increasing the number of residency slots for family
12 medicine, general internal medicine, general pediatrics, general
13 OB-GYN, psychiatry, and general surgery.

14 (9) Unexpended and unencumbered funds up to a maximum
15 \$5,000,000.00 in general fund/general purpose revenue plus any
16 contributions from public entities, up to \$5,000,000.00, and any
17 associated federal match remaining in accounts appropriated in part
18 1 for hospital services and therapy are designated as work project
19 appropriations, and any unencumbered or unallotted funds shall not
20 lapse at the end of the fiscal year and shall be available for
21 expenditures for the MiDocs consortium to create new primary care
22 residency slots in underserved communities under this section until
23 the work project has been completed. All of the following are in
24 compliance with section 451a(1) of the management and budget act,
25 1984 PA 431, MCL 18.1451a:

26 (a) The purpose of the work project is to fund the cost of the
27 MiDocs consortium to create new primary care residency slots in

1 underserved communities.

2 (b) The work project will be accomplished by contracting with
3 the MiDocs consortium to oversee the creation of new primary care
4 residency slots.

5 (c) The total estimated completion cost of the work project is
6 \$28,129,400.00.

7 (d) The tentative completion date is September 30, 2023.

8 Sec. 1871. The funds appropriated in part 1 for the Healthy
9 Michigan plan healthy behaviors incentives program shall only
10 provide reductions in cost-sharing responsibilities and shall not
11 include other financial rewards such as gift cards.

12 Sec. 1872. From the funds appropriated in part 1 for personal
13 care services, the department shall maintain the monthly Medicaid
14 personal care supplement paid to adult foster care facilities and
15 homes for the aged that provide personal care services to Medicaid
16 recipients in place during the previous fiscal year.

17 Sec. 1873. From the funds appropriated in part 1 for long-term
18 care services, the department may allocate up to \$3,700,000.00 for
19 the purpose of outreach and education to nursing home residents and
20 the coordination of housing in order to move out of the facility.
21 In addition, any funds appropriated shall be used for other quality
22 improvement activities of the program. The department shall
23 consider working with all relevant stakeholders to develop a plan
24 for the ongoing sustainability of the nursing facility transition
25 initiative.

26 Sec. 1874. The department shall ensure, in counties where
27 program of all-inclusive care for the elderly or PACE services are

1 available, that the program of all-inclusive care for the elderly
2 (PACE) is included as an option in all options counseling and
3 enrollment brokering for aging services and managed care programs,
4 including, but not limited to, Area Agencies on Aging, centers for
5 independent living, and the MiChoice home and community-based
6 waiver. Such options counseling must include approved marketing and
7 discussion materials.

8 Sec. 1875. (1) The department and its contractual agents may
9 not subject Medicaid prescriptions to prior authorization
10 procedures during the current fiscal year if that drug is carved
11 out or is not subject to prior authorization procedures as of May
12 9, 2016, and is generally recognized in a standard medical
13 reference or the American Psychiatric Association's Diagnostic and
14 Statistical Manual for the Treatment of a Psychiatric Disorder.

15 (2) The department and its contractual agents may not subject
16 Medicaid prescriptions to prior authorization procedures during the
17 current fiscal year if that drug is carved out or is not subject to
18 prior authorization procedures as of May 9, 2016 and is a
19 prescription drug that is generally recognized in a standard
20 medical reference for the treatment of human immunodeficiency virus
21 or acquired immunodeficiency syndrome, epilepsy or seizure
22 disorder, or organ replacement therapy.

23 (3) As used in this section, "prior authorization" means a
24 process implemented by the department or its contractual agents
25 that conditions, delays, or denies delivery or particular pharmacy
26 services to Medicaid beneficiaries upon application of
27 predetermined criteria by the department or its contractual agents

1 to those pharmacy services. The process of prior authorization
2 often requires that a prescriber do 1 or both of the following:

3 (a) Obtain preapproval from the department or its contractual
4 agents before prescribing a given drug.

5 (b) Verify to the department or its contractual agents that
6 the use of a drug prescribed for an individual meets predetermined
7 criteria from the department or its contractual agents for a
8 prescription drug that is otherwise available under the Medicaid
9 program in this state.

10 Sec. 1878. By March 1 of the current fiscal year, the
11 department shall provide a report to the senate and house
12 appropriations subcommittees on the department budget, the senate
13 and house fiscal agencies, the senate and house policy offices, and
14 the state budget office on hepatitis C tracking data. At a minimum,
15 the report shall include information on the following for
16 individuals treated with Harvoni or any other treatment used to
17 cure hepatitis C during the current fiscal year or a previous
18 fiscal year:

19 (a) The total number of people treated broken down by those
20 treated through traditional Medicaid and those treated through the
21 Healthy Michigan plan.

22 (b) The total cost of treatment.

23 (c) The total cost of treatment broken down by those treated
24 through traditional Medicaid and those treated through the Healthy
25 Michigan plan.

26 (d) The cure rate broken down by Metavir Score, genotype,
27 Medicaid match rate, and drug used during treatment.

1 (e) The reinfection rate broken down by Metavir Score,
2 genotype, Medicaid match rate, and drug used during treatment.

3 Sec. 1882. By December 31 of the current fiscal year, the
4 department shall report to the senate and house appropriations
5 subcommittees on the department budget, the senate and house fiscal
6 agencies, and the state budget office, documentation of the
7 expenses incurred during the immediate preceding fiscal year by
8 Medicaid health plans and PIHPs for the purpose of meeting the
9 contractual requirements to join the Michigan Health Information
10 Network Shared Services and incentivizing providers to become
11 members of the Health Information Exchange Qualified Organization.
12 The report should also include an estimation of the expenses to be
13 incurred in the current fiscal year by Medicaid health plans and
14 PIHPs for the same purpose of meeting their contractual
15 obligations.

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

24 Sec. 1894. By March 1 of the current fiscal year, the
25 department shall report to the senate and house appropriations
26 subcommittees on the department budget, the senate and house fiscal
27 agencies, the senate and house policy offices, and the state budget

1 office on the Healthy Kids Dental program. The report shall
2 include, but is not limited to, the following:

3 (a) The number of children enrolled in the Healthy Kids Dental
4 program who visited the dentist during the previous fiscal year
5 broken down by dental benefit manager.

6 (b) The number of dentists who accept payment from the Healthy
7 Kids Dental program.

8 (c) The annual change in dental utilization of children
9 enrolled in the Healthy Kids Dental program broken down by dental
10 benefit manager.

11 (d) Service expenditures for the Healthy Kids Dental program
12 broken down by dental benefit manager.

13 (e) Administrative expenditures for the Healthy Kids Dental
14 program broken down by dental benefit manager.

15 **INFORMATION TECHNOLOGY**

16 Sec. 1901. (1) The department shall provide a report on a
17 semiannual basis to the senate and house appropriations
18 subcommittees on the department budget, the senate and house fiscal
19 agencies, the senate and house policy offices, and the state budget
20 office all of the following information:

21 (a) The process used to define requests for proposals for each
22 expansion of information technology projects, including timelines,
23 project milestones, and intended outcomes.

24 (b) If the department decides not to contract the services out
25 to design and implement each element of the information technology
26 expansion, the department shall submit its own project plan that

1 includes, at a minimum, the requirements in subdivision (a).

2 (c) A recommended project management plan with milestones and
3 time frames.

4 (d) The proposed benefits from implementing the information
5 technology expansion, including customer service improvement, form
6 reductions, potential time savings, caseload reduction, and return
7 on investment.

8 (e) Details on the implementation of the integrated service
9 delivery project, and the progress toward meeting the outcomes and
10 performance measures listed in section 1507(2) of this part.

11 (2) Once an award for an expansion of information technology
12 is made, the department shall report to the senate and house
13 appropriations subcommittees on the department budget, the senate
14 and house fiscal agencies, the senate and house policy offices, and
15 the state budget office a projected cost of the expansion broken
16 down by use and type of expense.

17 Sec. 1902. From the funds appropriated in part 1 for the
18 Michigan Medicaid information system (MMIS) line item, private
19 revenue may be received from and allocated for other states
20 interested in participating as part of the broader MMIS initiative.
21 By March 1 of the current fiscal year, the department shall provide
22 a report on the use of MMIS by other states for the previous fiscal
23 year, including a list of states, type of use, and revenue and
24 expenditures related to the agreements with the other states to use
25 the MMIS. The report shall be provided to the house and senate
26 appropriations subcommittees on the department budget, the house
27 and senate fiscal agencies, and the state budget office.

1 Sec. 1903. (1) The department shall report to the senate and
2 house appropriations subcommittees on the department budget, the
3 senate and house fiscal agencies, the senate and house policy
4 offices, and the state budget office by November 1 of the current
5 fiscal year the status of an implementation plan regarding the
6 appropriation in part 1 to modernize the MiSACWIS. The report shall
7 include, but not be limited to, efforts to bring the system in
8 compliance with the settlement and other federal guidelines set
9 forth by the United States Department of Health and Human Services
10 Administration for Children and Families.

11 (2) The department shall report to the senate and house
12 appropriations subcommittees on the department budget, the senate
13 and house fiscal agencies, the senate and house policy offices, and
14 the state budget office by November 1 of the current fiscal year a
15 status report on the planning, implementation, and operation,
16 regardless of the current operational status, regarding the
17 appropriation in part 1 to implement the MiSACWIS. The report shall
18 provide details on the planning, implementation, and operation of
19 the system, including, but not limited to, all of the following:

20 (a) Areas where implementation went as planned.

21 (b) The number of known issues.

22 (c) The average number of help tickets submitted per day.

23 (d) Any additional overtime or other staffing costs to address
24 known issues and volume of help tickets.

25 (e) Any contract revisions to address known issues and volume
26 of help tickets.

27 (f) Other strategies undertaken to improve implementation.

1 (g) Progress developing cross-system trusted data exchange
2 with MiSACWIS.

3 (h) Progress in moving away from a statewide automated child
4 welfare information system (SACWIS) to a comprehensive child
5 welfare information system (CCWIS).

6 (i) Progress developing and implementing a program to monitor
7 data quality.

8 (j) Progress developing and implementing custom integrated
9 systems for private agencies.

10 (k) A list of all change orders, planned or in progress.

11 (l) The status of all change orders, planned or in progress.

12 (m) The estimated costs for all planned change orders.

13 (n) The estimated and actual costs for all change orders in
14 progress.

15 **ONE-TIME APPROPRIATIONS**

16 Sec. 1906. (1) From the funds appropriated in part 1 for
17 hospital behavioral health pilot program, the department shall
18 appropriate \$100.00 to McLaren Greater Lansing for a pilot program
19 located in a county with a population between 280,000 and 281,000
20 according to the most recent federal decennial census for the
21 purpose of operating a pilot program to ensure that the behavioral
22 and physical health needs of Michigan residents are addressed. This
23 pilot program shall seek to provide additional behavioral health
24 services in a more efficient manner due to a partnership with
25 state-based institutions on staffing assistance and shared services
26 with a Michigan-based health system. The pilot program shall do all

1 of the following:

- 2 (a) Connect participants with available benefits.
- 3 (b) Help participants maintain eligibility.
- 4 (c) Link participants with necessary health care services.
- 5 (d) Maintain participants' medication routines.
- 6 (e) Address participants' barriers to care.

7 (2) For the duration of the pilot program, the department
8 shall allow for the direct referral of patients to the pilot
9 program. It is the intent of the legislature that this pilot
10 program shall be designed to last 3 years and that the pilot
11 program not exceed a maximum bed capacity of 45 beds.

12 (3) By September 30 of the current fiscal year, the managing
13 entity of the pilot program shall submit a report to the
14 department, the senate and house appropriations subcommittees on
15 the department budget, the senate and house fiscal agencies, the
16 senate and house policy offices, and the state budget office. The
17 report shall include, at a minimum, all of the following:

- 18 (a) The number of patients served by the pilot program.
- 19 (b) A breakdown of state expenditures for the pilot program.
- 20 (c) A breakdown of cost savings compared to a facility solely
21 operated by the state.
- 22 (d) The average length of a patient stay.
- 23 (e) The number of readmissions of a patient in a 365-day
24 period.
- 25 (f) Number of staffing hours worked by university students.
- 26 (g) The number of admitted patients.
- 27 (h) Distance traveled to reach the facility.

1 (i) Number of patients who had previously been admitted to a
2 mental health facility.

3 (j) Number of patients who were admitted to a mental health
4 facility for the first time.

5 Sec. 1908. From the funds appropriated in part 1 for Asian
6 American health care and wellness initiative, the department shall
7 appropriate \$100.00 to a nonprofit organization organized under the
8 laws of this state that is exempt from federal income tax under
9 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
10 and is located in a county with a population between 602,000 and
11 603,000 according to the most recent decennial census to implement
12 a pilot program to provide health care services in a culturally and
13 linguistically competent manner. To be eligible to receive funding,
14 the organization must have a stated vision of building a
15 collaborative, active, and committed Asian American community in
16 west Michigan with a focus on health care, education, and
17 empowerment.

18 Sec. 1910. From the funds appropriated in part 1 for opioid
19 transitional housing and services grant, the department shall
20 allocate \$750,000.00 to a nonprofit organization organized under
21 the laws of this state that is exempt from federal income tax under
22 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,
23 and is located in a county with a population between 160,000 and
24 162,000 according to the most recent decennial census for
25 operational use as it relates to the state's mission regarding
26 substance use disorder and opioid abuse. To be eligible to receive
27 funding, the organization must have a stated mission to educate the

1 community on opiate abuse and provide support for families and
2 those suffering addiction.

3 Sec. 1916. From the funds appropriated in part 1 for refugee
4 assistance grant, the department shall allocate \$100.00 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, to operate an initiative
8 to transition low-income refugee families to self-sufficiency. To
9 be eligible to receive funding, the organization must have a stated
10 core purpose of providing programs that guide support, and empower
11 individuals to achieve self-sufficiency with dignity and hope. This
12 initiative must utilize a measurable, evidence-based approach that
13 integrates treatment for poverty across health care, human
14 services, educational, faith-based, and governmental programs. The
15 organization receiving funds under this section must report to the
16 department by September 30 of the current fiscal year on metrics
17 used to measure the success and viability of the initiative.

18 Sec. 1917. (1) From the funds appropriated in part 1 for
19 autism train the trainer grant, the department shall appropriate
20 \$100,000.00 to implement a pilot project to train school employees
21 on the principles and practices of applied behavior analysis and
22 research-based intervention strategies. The pilot project must do
23 both of the following:

24 (a) Train paraprofessionals and teachers in a school district
25 with a headquarters located in a city with a population between
26 6,900 and 7,000 according to the most recent federal decennial
27 census in applied behavior analysis skills that match the national

1 standard for behavior technician-level work and research-based
2 intervention strategies.

3 (b) Train teacher consultants, school social workers, school
4 psychologists, and other school personnel responsible for
5 conducting functional behavioral assessments and the development of
6 behavior support plans in a school district with a headquarters
7 located in a city with a population between 6,900 and 7,000
8 according to the most recent federal decennial census methods for
9 assuring implementation of a behavior plan with fidelity and
10 strategies for sharing understanding of evidence-based behavioral
11 health approaches with other school-based personnel.

12 (2) Outcomes and performance measures for the pilot project
13 funded under this section shall include, but not be limited to, the
14 following:

15 (a) A decrease in the number of center-program and self-
16 contained-classroom referrals.

17 (b) A decrease in the number of suspensions, removals, and
18 expulsions.

19 (c) A decrease in paraprofessional absences.

20 (d) An increase in teacher retention.

21 (e) An increase in safety.

22 (3) By September 1 of the current fiscal year, the department
23 shall report 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 on the
26 information required in subsection (2).

27 Sec. 1918. The department shall spend available work project

Senate Bill No. 139 as amended May 14, 2019

1 revenue to continue the implementation of the Michigan medical
2 resident loan repayment program as specified in section 1918 of
3 article X of 2018 PA 207.

<< Sec. 1919. From the funds appropriated in part 1 for substance
use disorder hospital pilot program, \$100.00 is allocated for a
specialized emergent peer recovery coach services pilot project
administered by a substance use and case management provider in
conjunction with a hospital within a county with a population of at least
1,500,000 and 911 service district. The hospital must have a wing with at
least 5 beds dedicated to stabilizing patients suffering from addiction
by providing a specialized trauma therapist as well as a peer support
specialist to assist with treatment and counseling. The substance use and
case management provider shall collect and submit to the department data
on the outcomes of the pilot project throughout the duration of the pilot
project and shall provide a report on the pilot project's outcomes to the
senate and house appropriations subcommittees on health and human
services, the senate and house fiscal agencies, and the state budget
office.>>

4 Sec. 1920. (1) From the funds appropriated in part 1 for
5 autism navigator, the department shall require any contractor
6 receiving funds from this line item to comply with performance-
7 related metrics to maintain eligibility for funding. The
8 organizational metrics shall include, but not be limited to, all of
9 the following:

10 (a) Each contractor shall have accreditations that attest to
11 their competency and effectiveness in providing services.

12 (b) Each contractor shall demonstrate cost-effectiveness.

13 (c) Each contractor shall ensure their ability to leverage
14 private dollars to strengthen and maximize service provision.

15 (d) Each contractor shall provide quarterly reports to the
16 department regarding the number of clients served, units of service
17 provision, and ability to meet their stated goals.

18 (2) The department shall require an annual report from any
19 contractor receiving funding from the autism navigator line item.
20 The annual report, due to the department 60 days following the end
21 of the contract period, shall include specific information on
22 services and programs provided, the client base to which the
23 services and programs were provided, and the expenditures for those
24 services. The department shall provide the annual reports to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house fiscal agencies, and the state budget
27 office.

1 (3) From the funds appropriated in part 1 for autism
2 navigator, the department shall fund an independent evaluation of
3 the services provided by contractors paid from the autism navigator
4 line item in fiscal year 2018-2019. This evaluation, which shall
5 examine cost effectiveness of services, avoidance of duplication of
6 services, and outcomes, shall be completed by March 1 of the
7 current fiscal year and shall be provided to the senate and house
8 appropriations subcommittees on the department budget, the senate
9 and house fiscal agencies, and the state budget office.