



Senate Fiscal Agency
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Senate Bill 828 (S-4 as passed by the Senate)
Committee: Appropriations

| FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2021-22 YEAR-TO-DATE* | FY 2022-23 SENATE-PASSED | CHANGES FROM FY 2021-22 YEAR-TO-DATE | |
|--|-----------------------------|-----------------------------|---|--------------|
| | | | AMOUNT | PERCENT |
| FTE Positions | 15,581.5 | 14,072.4 | (1,509.1) | (9.7) |
| GROSS | 33,183,378,600 | 32,526,418,700 | (656,959,900) | (2.0) |
| Less: | | | | |
| Interdepartmental Grants Received | 14,593,500 | 14,203,400 | (390,100) | (2.7) |
| ADJUSTED GROSS | 33,168,785,100 | 32,512,215,300 | (656,569,800) | (2.0) |
| Less: | | | | |
| Federal Funds | 24,393,496,200 | 23,383,577,000 | (1,009,919,200) | (4.1) |
| Local and Private | 340,227,600 | 331,541,000 | (8,686,600) | (2.6) |
| TOTAL STATE SPENDING | 8,435,061,300 | 8,797,097,300 | 362,036,000 | 4.3 |
| Less: | | | | |
| Other State Restricted Funds | 2,986,632,100 | 2,985,875,300 | (756,800) | (0.0) |
| GENERAL FUND/GENERAL PURPOSE | 5,448,429,200 | 5,811,222,000 | 362,792,800 | 6.7 |
| PAYMENTS TO LOCALS | 1,777,476,300 | 1,898,568,200 | 121,091,900 | 6.8 |

*As of April 12, 2022.

| | Gross | GF/GP |
|--|-------------------------|------------------------|
| FY 2021-22 Year-to-Date Appropriation | \$33,183,378,600 | \$5,448,429,200 |

Changes from FY 2021-22 Year-to-Date:

- | | | |
|---|---------------|-------------|
| 1. Medicaid and Title XXI Match Rate Adjustment. The base Medicaid match rate will decrease from 65.48% to 64.71% and the CHIP match rate will decrease from 75.84% to 75.30%. | 0 | 104,005,500 |
| 2. Medicaid Base and Caseload. Senate included adjustments to reflect projected costs for the Medicaid program. | 91,194,700 | 2,380,100 |
| 3. Public Assistance Base and Caseload. Senate included adjustments to reflect projected public assistance caseloads and costs, with the largest adjustment being a \$1.2 billion all Federal increase in the Food Assistance Program. | 1,148,718,500 | (3,259,900) |
| 4. Child Welfare Base and Caseload. Senate included adjustments to reflect projected child welfare caseloads and costs. | 16,446,300 | 18,677,600 |
| 5. Medicaid Actuarial Soundness Adjustments. Senate included increases for managed care entities that provide Medicaid services to reflect the Federal requirement that capitation rates paid be actuarially sound. | 340,745,600 | 88,389,100 |
| 6. Medicaid Special Financing and Provider Tax Adjustments. Senate included adjustments to special payments to hospitals that are funded with provider tax revenue. | 108,336,300 | 7,436,400 |

| | | |
|---|-----------------|---------------|
| 7. Resumption of Medicaid Redeterminations. Senate included assumed savings resulting from the resumption of eligibility redeterminations upon the expiration of the declaration of the public health emergency in March 2022. | (848,608,900) | (135,706,800) |
| 8. Expiration of Enhanced FMAP. Senate included adjustments resulting from the expiration of the 6.2% COVID-19 pandemic-related match rate enhancement. | 14,000,000 | 220,588,500 |
| 9. Program Increases. Senate included a number of program increases including \$94.9 million Gross and \$15.0 million GF/GP to increase Medicaid primary care rates, \$52.3 million Gross and \$17.4 million GF/GP to increase dental reimbursement rates for Traditional Medicaid beneficiaries and increase reimbursement rates for dental procedures completed at outpatient hospitals and ambulatory surgical centers, \$33.7 million Gross and \$13.3 million GF/GP to increase maintenance payments to child welfare families, \$28.3 million Gross and \$10.0 million GF/GP for Medicaid reimbursement for Community Health Workers, \$15.7 million Gross and GF/GP for one-time costs include Healthy Michigan Plan Dual Eligibles and Qualified Individuals in the Federal Medical Pharmaceutical Program to comply with CMS guidelines, \$16.0 million Gross and \$0 GF/GP for the Opioid Settlement Fund, \$10.5 million Gross and \$9.0 million GF/GP to provide a 5.0% reimbursement increase for residential child caring institutions and a 12.0% increase to private residential juvenile justice providers, \$5.0 million Gross and GF/GP for Families Against Narcotics, \$5.0 million Gross and GF/GP to increase guardian and conservator reimbursement rates, \$4.5 million Gross and GF/GP for My Community Dental Centers, and \$4.7 million Gross and \$1.6 million GF/GP to increase the enrollment cap at PACE sites in Wayne, Traverse City and Central Michigan. | 356,658,500 | 122,455,100 |
| 10. Program Reduction. Senate included a number of program reductions including \$191.7 million Gross and \$94.0 million GF/GP from levelization of FTEs to December 2021 levels, \$68.6 million Gross and \$16.7 million GF/GP in historic lapse savings, \$11.0 million Gross and GF/GP from a readjustment of Food Assistance Program reinvestment levels, and \$7.2 million Gross and GF/GP from the Michigan Public Health Institute contract. | (284,206,500) | (133,751,600) |
| 11. Removal of FY 2021-22 One-Time Appropriations. | (202,343,900) | (84,358,300) |
| 12. FY 2022-23 One-Time Appropriations. Senate funded COVID relief grants for PACE programs (\$31.0 million Gross and GF/GP), pandemic relief grants for residential childcare facilities (\$15.0 million Gross and GF/GP), a deposit into the Jail Diversion Fund (\$10.0 million Gross and GF/GP), a grant program to retain rural primary care doctors (\$7.6 million Gross and GF/GP), an improvement grant for Sheridan Hospital (\$6.6 million Gross and GF/GP), the purchase of traumatic brain injury detection software (\$5 million Gross and GF/GP), the construction of a crisis stabilization unit and a crisis residential unit in Northern Michigan (\$5.0 million Gross and GF/GP), and a capital project at the United Methodist Community House (\$5.0 million Gross and GF/GP). | 98,874,600 | 95,874,500 |
| 13. Removal of FY 2021-22 Supplemental COVID and One-Time Appropriations. Senate adjusted out one-time Federal money related to the COVID-19 pandemic from PA 133 of 2021 and PA 9 of 2022. | (1,526,570,600) | (40,554,200) |

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|--|-------------------------|------------------------|
| 14. Non-General Fund Authorization Adjustments. Senate included a net \$24.0 million decrease in Federal authorization (mainly comprised of a \$29.5 million reduction in authorization due to the expiration of the Electronic Health Records project and the recognition of \$3.5 million in grants for Area Agencies on Aging), a \$5.0 million increase in Private authorization, and a \$1.4 million increase in Restricted authorization. | (17,826,300) | 0 |
| 15. Other Fund Source Adjustments. Senate included other fund source adjustments resulting in a net increase in GF/GP need including \$34.9 million to backfill lost Federal revenue due to an overclaim of Title IV-E funds, \$27.1 million to replace Title V and Title X funds with GF/GP, \$25.0 million in additional TANF revenue, \$22.0 million to replace decreases in Restricted funds used to support Medicaid, \$15.0 million to complete the phase-out of CMH local match dollars, and \$5.5 million to backfill IPA revenue used to cover increased caseload costs in the Healthy Michigan Plan | 0 | 78,809,000 |
| 16. Other Changes. Other changes resulted in minor adjustments. | (360,800) | 416,600 |
| 17. Economic Adjustments. Includes \$47,982,600 Gross and \$21,391,200 GF/GP for total economic adjustments, of which an estimated negative \$18,291,500 Gross and negative \$8,278,900 GF/GP is for legacy retirement costs (pension and retiree health). | 47,982,600 | 21,391,200 |
| 18. Comparison to the Governor's Recommendation. The Senate is \$918,247,200 Gross and \$645,638,100 GF/GP under the Governor. | | |
| Total Changes | (\$656,959,900) | \$362,792,800 |
| FY 2022-23 Senate-Passed Appropriation | \$32,526,418,700 | \$5,811,222,000 |

FY 2022-23 Boilerplate Changes from FY 2021-22 Year-to-Date:

- Deletions.** The Senate eliminated the following sections from current year boilerplate: 210, 258, 461, 517, 518, 541, 908, 926, 959, 1006, 1011, 1013, 1185, 1302, 1310, 1363, 1902, 1950, 1951, 1952, 1954, 1955, 1960, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1972, 1973, 1974, 1975, 1976, 1977, and 1978.
- Renumbering.** The Senate renumbered Sec. 523(2) moved to Sec. 463 (Runaway Youth Grants), Sec. 570 moved to Sec. 509 (Adoption Support Services Rate Increase), Sec. 689 moved to Sec. 464 (Diaper Assistance Program), Sec. 1152 moved to Sec. 465 (2-1-1 Statewide Projects), Sec. 1402 moved to Sec. 1602 (Food Bank Council Collaboration), Sec. 1403 moved to Sec. 1519 (Home Delivered Meals Waiting List), Sec. 1417 moved to Sec. 1604 (Area Agency on Aging Reporting), Sec. 1421 moved to Sec. 1608 (Allocation of Aging Funding), Sec. 1422 moved to Sec. 826 (Prosecuting Attorney Contracts), Sec. 1425 moved to Sec. 1610 (Nursing Home Closures), Sec. 1426 moved to Sec. 1612 (Senior Call Check Program), Sec. 1782 moved to Sec. 1349 (Immunization Awareness), Sec. 1957 moved to Sec. 460 (Kids Food Basket), and Sec. 1958 moved to Sec. 916 (Families Against Narcotics).
- Legacy Costs.** The Senate modified language to specify legacy costs for FY 2022-23 including \$187.8 million for pension-related costs and \$121.5 million for retiree health care costs. (Sec. 214)
- Restrictions on Funds for Abortion Providers.** The Senate included new language prohibiting funding in the form of a grant, reimbursement, contract, or any other type of payment from being provided to an entity that provides elective abortion services, abortion counseling, or abortion referrals, or subcontracts with an entity that engages in those activities. The language specifies that this section does not apply to funding used to support the traditional Medicaid program or the Healthy Michigan Plan and does not restrict a Medicaid recipient's ability to select a qualified medical provider for traditional Medicaid or Healthy Michigan Plan covered services. (Sec. 245)
- Uniform Statewide Sexual Assault Evidence Kit Tracking.** The Senate modified language by allocating \$369,500.00 in GF/GP to backfill \$800,000.00 in State Restricted funding that will be exhausted by the end of FY 2021-2022. (Sec. 457)

6. **West Michigan Partnership for Children.** The Senate modified language concerning the West Michigan Partnership for children to extend the initial 5-year pilot for 3 additional contracted years with the option to extend the agreement a further 2 years. The language also pegs the administrative portion of the contracted agreement to a CPI index. (Sec. 504)
7. **Child Caring Institutions Capacity Payments.** The Senate added language to modify the payment methodology so child caring institutions must be compensated for maintaining bed space rather than payments directly reimbursing for days spent in care. (Sec. 510)
8. **Child Care Fund - Basic Grants Allotment.** The Senate included language to increase the CCF small county (75,000 population) from the statutorily defined \$15,000 per year to \$56,520 per small county per year. (Sec. 528)
9. **Kinship Advisory Council and Kinship Caregiver Navigator.** The Senate deleted language directing legislative intent and permissive language concerning the creation of the Kinship Advisory Council and the Kinship Caregiver Navigator. (Sec. 576 & 577)
10. **Health Homes.** The Senate modified language to direct the expansion of behavioral health homes in Prepaid Inpatient Health Plan (PIHP) regions 6 and 7, and the expansion of substance use disorder health homes in regions 6, 7, and 10. The Senate added a quarterly report on the number of individuals being served by the health homes by PIHP region by site. (Sec. 1005)
11. **Update on Auditor General Audit Findings.** The Senate added two sections to give a report on updated findings from recent auditor general reports concerning Non-Emergency Medical Transportation and Medicaid Eligibility. (Sec. 1509 & 1510)
12. **Specialty Medicaid Plan for Foster Children - Actuarial Analysis.** The Senate removed language that appropriated \$500,000 for an actuarial study to create a specialty Medicaid managed care health plan for children in foster care. (Sec. 1517)
13. **Rate Increase for Dental Procedures in Ambulatory Surgical Centers (ASC) & Outpatient Hospitals (OPH).** The Senate added language to increase the rates paid for dental procedures completed in ASCs to \$1,495 per procedure and OPH to \$2,300 per procedure. (Sec. 1628)
14. **Increase in Medicaid Fee for Service Dental Rates.** The Senate included language to increase Medicaid Fee for Service dental rates by \$41,633,300. (Sec. 1698)
15. **Medicaid Supportive Housing Report.** The Senate added language for a report to explore the allowance of creation of a Medicaid supportive housing services benefit. (Sec. 1701)
16. **Medicaid Primary Care Rate Uplift.** The Senate included language to increase the rates paid for Medicaid primary care services by \$15,000,000 GF/GP and any associated Federal matching funds. (Sec. 1801)
17. **PACE Enrollment Cap Removal.** The Senate added language to eliminate monthly enrollment caps for PACE programs and an implementation of an alternative payment authority for PACE reimbursement. (Sec. 1852)
18. **Honor Health ACGME Residency Program.** The Senate included language to allow for an accredited community-based residency training program to be created at organizations such as FQHCs. (Sec. 1869)

Date Completed: 5-4-22

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.