SUBSTITUTE FOR

SENATE BILL NO. 79

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2022; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2022, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES	
APPROPRIATION SUMMARY	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	14,776.8

Average population	770.0		
GROSS APPROPRIATION		**$**	**31,610,467,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			13,706,800
ADJUSTED GROSS APPROPRIATION		**$**	**31,596,760,200**
Federal revenues:			
Capped federal revenues			469,088,000
Social security act, temporary assistance for needy families			557,034,100
Total other federal revenues			21,913,119,900
Special revenue funds:			
Total local revenues			136,826,500
Total private revenues			190,865,200
Michigan merit award trust fund			61,268,700
Total other state restricted revenues			3,031,881,200
State general fund/general purpose		**$**	**5,236,676,600**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	760.0		
Unclassified salaries--FTE positions	6.0	$	1,230,000
Administrative hearings officers			9,834,500
Child welfare institute--FTE positions	51.0		9,131,200
Demonstration projects--FTE positions	7.0		7,070,800
Departmental administration and management--FTE positions	518.6		94,191,600
Office of inspector general--FTE positions	163.4		24,815,700

Property management			63,784,000
Terminal leave payments			7,092,100
Training and program support--FTE positions	20.0		2,573,700
Worker's compensation			7,740,500
GROSS APPROPRIATION		**$**	**227,464,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of education			1,873,600
IDG from department of technology, management, and budget - office of retirement services			600
Federal revenues:			
Social security act, temporary assistance for needy families			31,921,000
Capped federal revenues			19,438,300
Total other federal revenues			70,112,100
Special revenue funds:			
Total local revenues			84,900
Total private revenues			3,847,000
Total other state restricted revenues			1,290,100
State general fund/general purpose		**$**	**98,896,500**
Sec. 103. CHILD SUPPORT ENFORCEMENT			
Full-time equated classified positions	193.7		
Child support enforcement operations--FTE positions	187.7	$	20,791,500
Child support incentive payments			24,409,600
Legal support contracts			113,600,300
State disbursement unit--FTE positions	6.0		7,344,600
GROSS APPROPRIATION		**$**	**166,146,000**

Appropriated from:			
Federal revenues:			
Capped federal revenues			14,839,600
Total other federal revenues			127,720,800
State general fund/general purpose		**$**	**23,585,600**
Sec. 104. COMMUNITY SERVICES AND OUTREACH			
Full-time equated classified positions	75.6		
Bureau of community services and outreach--FTE positions	24.0	$	3,419,700
Child advocacy centers--FTE positions	0.5		2,407,000
Community services and outreach administration--FTE positions	18.0		2,663,700
Community services block grant			25,840,000
Crime victim grants administration services--FTE positions	17.0		3,001,300
Crime victim justice assistance grants			98,579,300
Crime victim rights services grants			19,869,900
Domestic violence prevention and treatment--FTE positions	15.6		18,255,500
Homeless programs			23,282,500
Housing and support services			13,031,000
Human trafficking intervention services			200,000
Rape prevention and services--FTE positions	0.5		5,097,300
Runaway and homeless youth grants			7,784,000
School success partnership program			525,000
Uniform statewide sexual assault evidence kit tracking system			800,000
Weatherization assistance			15,505,000

GROSS APPROPRIATION		**$**	**240,261,200**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			16,724,200
Capped federal revenues			62,161,000
Total other federal revenues			116,199,000
Special revenue funds:			
Compulsive gambling prevention fund			1,040,500
Sexual assault evidence tracking fund			800,000
Sexual assault victims' prevention and treatment fund			3,000,000
Child advocacy centers fund			1,407,000
Crime victim's rights fund			18,740,800
State general fund/general purpose		**$**	**20,188,700**
Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE			
Full-time equated classified positions	4,003.7		
Adoption subsidies		$	193,480,200
Adoption support services--FTE positions	10.0		34,666,400
Attorney general contract			5,191,100
Child abuse and neglect - children's justice act--FTE positions	1.0		624,200
Child care fund			240,903,600
Child care fund - indirect cost allotment			3,500,000
Child protection			1,050,300
Child welfare administration travel			390,000

Child welfare field staff - noncaseload compliance--FTE positions	353.0	40,279,000
Child welfare licensing--FTE positions	50.0	6,984,600
Child welfare medical/psychiatric evaluations		10,428,500
Children's protective services - caseload staff--FTE positions	1,615.0	166,891,000
Children's protective services supervisors--FTE positions	387.0	46,747,800
Children's services administration--FTE positions	144.0	21,070,300
Children's trust fund administration--FTE positions	4.8	85,300
Children's trust fund grants		4,072,200
Contractual services, supplies, and materials		9,567,600
Court-appointed special advocates		1,000,000
Education planners--FTE positions	15.0	1,627,400
Family preservation and prevention services administration--FTE positions	9.0	1,382,700
Family preservation programs--FTE positions	34.0	57,929,200
Foster care payments		306,423,300
Foster care services - caseload staff--FTE positions	966.0	95,424,900
Foster care services supervisors--FTE positions	203.9	30,081,400
Guardianship assistance program		10,449,400
Interstate compact		179,600
Peer coaches--FTE positions	45.5	6,128,600
Performance based funding implementation--FTE positions	3.0	1,363,100

Permanency resource managers--FTE positions	28.0		3,394,800
Prosecuting attorney contracts			8,142,800
Raise the age fund			9,150,000
Second line supervisors and technical staff--FTE positions	126.0		19,374,000
Settlement monitor			2,034,100
Strong families/safe children			12,600,000
Title IV-E compliance and accountability office--FTE positions	4.0		446,700
Youth in transition--FTE positions	4.5		8,175,700
GROSS APPROPRIATION		**$**	**1,361,239,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of education			235,200
Federal revenues:			
Social security act, temporary assistance for needy families			328,971,100
Capped federal revenues			110,214,700
Total other federal revenues			279,175,300
Special revenue funds:			
Local funds - county chargeback			33,491,100
Private - collections			1,200,000
Children's trust fund			2,588,500
State general fund/general purpose		**$**	**605,363,900**
Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE			
Full-time equated classified positions	120.5		
Bay Pines Center--FTE positions	47.0	$	5,742,300

Committee on juvenile justice administration--FTE positions	2.5		359,500
Committee on juvenile justice grants			3,000,000
Community support services--FTE positions	3.0		2,131,700
County juvenile officers			3,904,300
Juvenile justice, administration and maintenance--FTE positions	21.0		3,731,400
Shawono Center--FTE positions	47.0		5,758,900
GROSS APPROPRIATION		**$**	**24,628,100**
Appropriated from:			
Federal revenues:			
Capped federal revenues			8,554,600
Special revenue funds:			
Local funds - state share education funds			1,351,000
Local funds - county chargeback			4,692,800
State general fund/general purpose		**$**	**10,029,700**
Sec. 107. PUBLIC ASSISTANCE			
Full-time equated classified positions	3.0		
Diaper assistance grant		$	250,000
Emergency services local office allocations			8,813,500
Family independence program			74,384,300
Food assistance program benefits			3,032,468,000
Food Bank Council of Michigan			2,045,000
Indigent burial			4,369,100
Low-income home energy assistance program			174,951,600
Michigan energy assistance program--FTE positions	1.0		50,000,000
Refugee assistance program--FTE positions	2.0		3,054,200

State disability assistance payments			7,058,400
State supplementation			60,704,000
State supplementation administration			1,806,100
GROSS APPROPRIATION		**$**	**3,419,904,200**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			65,996,900
Capped federal revenues			178,005,800
Total other federal revenues			3,027,758,000
Special revenue funds:			
Child support collections			9,841,900
Supplemental security income recoveries			1,602,000
Public assistance recoupment revenue			5,000,000
Low-income energy assistance fund			50,000,000
State general fund/general purpose		**$**	**81,699,600**
Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES			
Full-time equated classified positions	5,457.3		
Administrative support workers--FTE positions	95.8	$	10,599,500
Adult services field staff--FTE positions	499.0		60,804,000
Contractual services, supplies, and materials			17,595,000
Donated funds positions--FTE positions	238.0		28,104,400
Elder Law of Michigan MiCAFE contract			350,000
Electronic benefit transfer (EBT)			7,989,000
Employment and training support services			4,219,100
Field policy and administration--FTE positions	111.0		18,353,400
Field staff travel			8,109,900
Food assistance reinvestment--FTE positions	16.0		10,985,000

Medical/psychiatric evaluations				1,120,100
Nutrition education--FTE positions	2.0			33,055,900
Pathways to potential--FTE positions	212.2			24,585,000
Public assistance field staff--FTE positions	4,283.3			471,077,700
SSI advocacy legal services grant				325,000
GROSS APPROPRIATION			**$**	**697,273,000**
Appropriated from:				
Interdepartmental grant revenues:				
IDG from department of corrections				120,200
IDG from department of education				7,711,500
Federal revenues:				
Social security act, temporary assistance for needy families				76,268,100
Capped federal revenues				53,311,600
Total other federal revenues				267,139,500
Special revenue funds:				
Local funds - donated funds				4,206,200
Private funds - donated funds				9,587,500
State general fund/general purpose			**$**	**278,928,400**
Sec. 109. DISABILITY DETERMINATION SERVICES				
Full-time equated classified positions	471.4			
Disability determination operations--FTE positions	467.3	$		109,585,200
Retirement disability determination--FTE positions	4.1			627,100
GROSS APPROPRIATION			**$**	**110,212,300**
Appropriated from:				
Interdepartmental grant revenues:				

IDG from department of technology, management, and budget - office of retirement services			797,400
Federal revenues:			
Total other federal revenues			105,628,100
State general fund/general purpose		**$**	**3,786,800**
Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS			
Full-time equated classified positions	117.0		
Behavioral health program administration--FTE positions	86.0	$	45,797,500
Community substance use disorder prevention, education, and treatment--FTE positions	9.0		78,005,200
Family support subsidy			11,832,400
Federal and other special projects			2,535,600
Gambling addiction--FTE positions	1.0		5,514,300
Mental health diversion council			3,850,000
Office of recipient rights--FTE positions	21.0		2,856,600
Opioid response activities			67,155,600
Protection and advocacy services support			194,400
GROSS APPROPRIATION		**$**	**217,741,600**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			12,012,200
Total other federal revenues			162,854,000
Special revenue funds:			
Total private revenues			1,004,700
Total other state restricted revenues			7,798,500

State general fund/general purpose		**$**	**34,072,200**
Sec. 111. BEHAVIORAL HEALTH SERVICES			
Full-time equated classified positions	12.0		
Autism services		$	356,875,800
Behavioral health community supports and services			11,221,500
Certified community behavioral health clinic demonstration			25,597,300
Civil service charges			297,500
Community mental health non-Medicaid services			125,578,200
Crisis stabilization units			100
Federal mental health block grant--FTE positions	5.0		20,595,700
Health homes			33,005,400
Healthy Michigan plan - behavioral health			540,551,700
Medicaid mental health services			3,005,348,100
Medicaid substance use disorder services			80,988,900
Multicultural integration funding			21,684,900
Nursing home PAS/ARR-OBRA--FTE positions	7.0		13,940,400
State disability assistance program substance use disorder services			2,018,800
GROSS APPROPRIATION		**$**	**4,237,704,300**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			421,000
Capped federal revenues			184,500
Total other federal revenues			2,890,556,700

Special revenue funds:			
Total local revenues			10,190,500
Total other state restricted revenues			43,509,100
State general fund/general purpose		**$**	**1,292,842,500**
Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES			
Full-time equated classified positions	2,453.6		
Average population	770.0		
Caro Regional Mental Health Center - psychiatric hospital - adult--FTE positions	542.3	$	62,778,400
Average population	145.0		
Center for forensic psychiatry--FTE positions	627.1		97,735,500
Average population	240.0		
Developmental disabilities council and projects--FTE positions	10.0		3,136,100
Gifts and bequests for patient living and treatment environment			1,000,000
Hawthorn Center - psychiatric hospital - children and adolescents--FTE positions	292.0		36,960,200
Average population	55.0		
IDEA, federal special education			120,000
Kalamazoo Psychiatric Hospital - adult--FTE positions	564.8		74,079,200
Average population	170.0		
Purchase of medical services for residents of hospitals and centers			445,600
Revenue recapture			750,100
Special maintenance			924,600

Walter P. Reuther Psychiatric Hospital - adult-			
-FTE positions	417.4		62,029,500
Average population	160.0		
GROSS APPROPRIATION		**$**	**339,959,200**
Appropriated from:			
Federal revenues:			
Total other federal revenues			45,884,700
Special revenue funds:			
Total local revenues			23,122,500
Total private revenues			1,000,000
Total other state restricted revenues			15,119,400
State general fund/general purpose		**$**	**254,832,600**
Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES			
Full-time equated classified positions	30.1		
Bone marrow donor and blood bank programs		$	750,000
Certificate of need program administration--FTE positions	11.8		2,813,300
Michigan essential health provider			3,519,600
Minority health grants and contracts--FTE positions	3.0		1,133,400
Nurse education and research program--FTE positions	3.0		811,000
Policy and planning administration--FTE positions	8.3		4,984,200
Primary care services--FTE positions	3.0		3,791,800
Rural health services--FTE positions	1.0		1,555,500
GROSS APPROPRIATION		**$**	**19,358,800**

Appropriated from:			
Interdepartmental grant revenues:			
IDG from the department of education			2,400
IDG from the department of licensing and regulatory affairs			811,000
IDG from the department of treasury, Michigan finance authority			117,700
Federal revenues:			
Social security act, temporary assistance for needy families			280,200
Capped federal revenues			120,300
Total other federal revenues			5,629,600
Special revenue funds:			
Total private revenues			865,000
Total other state restricted revenues			3,220,800
State general fund/general purpose		**$**	**8,311,800**

Sec. 114. EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

Full-time equated classified positions	350.2		
Bioterrorism preparedness--FTE positions	53.0	$	30,675,400
Childhood lead program--FTE positions	4.5		2,322,700
Emergency medical services program--FTE positions	11.3		9,422,900
Epidemiology administration--FTE positions	82.5		25,445,000
Healthy homes program--FTE positions	21.0		32,745,400
Laboratory services--FTE positions	91.7		26,847,000
Newborn screening follow-up and treatment services--FTE positions	10.5		7,897,800

PFAS and environmental contamination response-- FTE positions	22.7		17,391,500
Vital records and health statistics--FTE positions	53.0		10,472,000
GROSS APPROPRIATION		**$**	**163,219,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from the department of environment, Great Lakes, and energy			977,500
Federal revenues:			
Capped federal revenues			76,400
Total other federal revenues			76,843,100
Special revenue funds:			
Total private revenues			342,600
Total other state restricted revenues			30,511,500
State general fund/general purpose		**$**	**54,468,600**
Sec. 115. LOCAL HEALTH AND ADMINISTRATIVE SERVICES			
Full-time equated classified positions	157.1		
AIDS prevention, testing, and care programs-- FTE positions	57.5	$	107,940,100
Cancer prevention and control program--FTE positions	18.0		15,813,900
Chronic disease control and health promotion administration--FTE positions	19.4		8,222,900
Diabetes and kidney program--FTE positions	8.0		4,115,900
Essential local public health services			56,419,300
Implementation of 1993 PA 133, MCL 333.17015			20,000

Local health services--FTE positions	3.3		8,707,600
Medicaid outreach cost reimbursement to local health departments			12,500,000
Public health administration--FTE positions	9.0		2,025,600
Sexually transmitted disease control program--FTE positions	20.0		6,168,200
Smoking prevention program--FTE positions	15.0		3,851,200
Violence prevention--FTE positions	6.9		12,699,000
GROSS APPROPRIATION		**$**	**238,483,700**
Appropriated from:			
Federal revenues:			
Total other federal revenues			87,032,700
Special revenue funds:			
Total local revenues			5,150,000
Total private revenues			73,540,400
Total other state restricted revenues			10,061,200
State general fund/general purpose		**$**	**62,699,400**
Sec. 116. FAMILY HEALTH SERVICES			
Full-time equated classified positions	117.7		
Child and adolescent health care and centers		$	9,342,700
Dental programs--FTE positions	5.3		6,783,900
Drinking water declaration of emergency			4,621,000
Family, maternal, and child health administration--FTE positions	36.6		9,270,100
Family planning local agreements			8,810,700
Immunization program--FTE positions	15.8		19,092,200
Local MCH services			7,018,100
Pregnancy prevention program			1,464,600

Pregnancy resource centers			100
Prenatal care and premature birth avoidance grant			1,000,000
Prenatal care outreach and service delivery support--FTE positions	15.0		36,818,200
Special projects			6,289,100
Sudden and unexpected infant death and suffocation prevention program			321,300
Women, infants, and children program administration and special projects--FTE positions	45.0		18,520,600
Women, infants, and children program local agreements and food costs			231,285,000
GROSS APPROPRIATION		**$**	**360,637,600**
Appropriated from:			
Federal revenues:			
Total other federal revenues			246,864,900
Special revenue funds:			
Total local revenues			9,410,500
Total private revenues			64,102,100
Total other state restricted revenues			4,031,300
State general fund/general purpose		**$**	**36,228,800**
Sec. 117. CHILDREN'S SPECIAL HEALTH CARE SERVICES			
Full-time equated classified positions	48.8		
Bequests for care and services--FTE positions	2.8	$	1,837,100
Children's special health care services administration--FTE positions	46.0		7,146,300

Medical care and treatment				307,826,400
Nonemergency medical transportation				801,200
Outreach and advocacy				5,510,000
GROSS APPROPRIATION			**$**	**323,121,000**
Appropriated from:				
Federal revenues:				
Total other federal revenues				185,027,900
Special revenue funds:				
Total private revenues				1,015,500
Total other state restricted revenues				4,183,300
State general fund/general purpose			**$**	**132,894,300**
Sec. 118. AGING AND ADULT SERVICES AGENCY				
Full-time equated classified positions	27.6			
Aging and adult services administration--FTE positions	27.6	$		8,175,900
Community services				52,476,000
Dementia unit				100
Employment assistance				3,500,000
Nutrition services				46,554,200
Respite care program				6,468,700
Senior volunteer service programs				4,765,300
GROSS APPROPRIATION			**$**	**121,940,200**
Appropriated from:				
Federal revenues:				
Capped federal revenues				219,300
Total other federal revenues				64,612,400
Special revenue funds:				
Total private revenues				932,300

Michigan merit award trust fund			4,068,700
Total other state restricted revenues			2,000,000
State general fund/general purpose		**$**	**50,107,500**
Sec. 119. MEDICAL SERVICES ADMINISTRATION			
Full-time equated classified positions	368.5		
Electronic health record incentive program		$	37,477,500
Healthy Michigan plan administration--FTE positions	24.0		31,132,100
Medical services administration--FTE positions	344.5		80,860,500
GROSS APPROPRIATION		**$**	**149,470,100**
Appropriated from:			
Federal revenues:			
Total other federal revenues			112,945,100
Special revenue funds:			
Total local revenues			36,800
Total private revenues			978,100
Total other state restricted revenues			328,500
State general fund/general purpose		**$**	**35,181,600**
Sec. 120. MEDICAL SERVICES			
Adult home help services		$	419,543,100
Ambulance services			9,930,400
Auxiliary medical services			6,676,000
Dental clinic program			1,000,000
Dental services			341,251,900
Federal Medicare pharmaceutical program			305,259,000
Health plan services			6,387,831,700
Healthy Michigan plan			5,088,049,600
Home health services			3,091,200

Hospice services		147,769,000
Hospital disproportionate share payments		45,000,000
Hospital services and therapy		824,301,300
Integrated care organizations		354,773,800
Long-term care services		2,065,788,400
Maternal and child health		32,717,000
Medicaid home- and community-based services waiver		444,199,900
Medicare premium payments		703,619,200
Personal care services		8,930,000
Pharmaceutical services		371,864,000
Physician services		254,897,000
Program of all-inclusive care for the elderly		192,315,900
School-based services		198,080,300
Special Medicaid reimbursement		354,314,700
Transportation		15,394,000
GROSS APPROPRIATION		**$ 18,576,597,400**
Appropriated from:		
Federal revenues:		
Total other federal revenues		13,647,250,200
Special revenue funds:		
Total local revenues		45,090,200
Total private revenues		7,200,000
Michigan merit award trust fund		57,200,000
Total other state restricted revenues		2,810,458,600
State general fund/general purpose		**$ 2,009,398,400**
Sec. 121. INFORMATION TECHNOLOGY		
Full-time equated classified positions	9.0	

Bridges information system		$ 63,367,200
Child support automation		43,819,500
Comprehensive child welfare information system--FTE positions	6.0	3,762,200
Information technology services and projects		254,364,200
Michigan Medicaid information system--FTE positions	3.0	137,857,200
Michigan statewide automated child welfare information system		21,543,500
Technology supporting integrated service delivery		14,984,400
GROSS APPROPRIATION		**$ 539,698,200**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of education		1,059,700
Federal revenues:		
Social security act, temporary assistance for needy families		24,439,400
Capped federal revenues		21,961,900
Total other federal revenues		347,169,500
Special revenue funds:		
Total private revenues		25,250,000
Total other state restricted revenues		1,984,500
State general fund/general purpose		**$ 117,833,200**

Sec. 122. ONE-TIME APPROPRIATIONS

E-FMAP redetermination compliance	$ 11,580,000
First responder and public safety staff mental health	100

Healthy communities grant		500,000
Hospital behavioral health pilot program		3,000,000
Hospital infrastructure improvements		2,826,000
Jail diversion fund		100
Kids' food basket		500,000
Lead poisoning prevention fund		2,000,000
Long-term care facility supports		37,500,000
Narcotics awareness program		100
Nursing capacity and diversity pilot		100
Statewide health information exchange projects		17,500,000
Veterans health clinic		100
GROSS APPROPRIATION	**$**	**75,406,500**
Appropriated from:		
Federal revenues:		
Total other federal revenues		46,716,300
Special revenue funds:		
Total other state restricted revenues		3,363,700
State general fund/general purpose	**$**	**25,326,500**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

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 2021-2022 is $8,330,762,000.00 and state spending from state sources to be paid to local units of government for fiscal year 2021-2022 is $1,742,019,200.00. 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 SUPPORT	
Departmental administration and management	$ 1,000
CHILD SUPPORT ENFORCEMENT	
Child support incentive payments	9,570,000
Legal support contracts	4,000
COMMUNITY SERVICES AND OUTREACH	
Community services and outreach administration	1,000
Crime victim rights services grants	10,813,000
Domestic violence prevention and treatment	226,000
Homeless programs	6,000
Housing and support services	126,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE	
Child care fund	144,005,000
Child care fund - indirect cost allotment	3,483,000
Child welfare licensing	84,000
Child welfare medical/psychiatric evaluations	12,000
Children's trust fund grants	35,000
Contractual services, supplies, and materials	8,000
Foster care payments	1,377,000
Strong families/safe children	19,000
Youth in transition	4,000
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE	
Bay Pines Center	30,000
Community support services	274,000
Shawono Center	9,000
PUBLIC ASSISTANCE	

Emergency services local office allocations	635,000
Indigent burial	3,000
Michigan energy assistance program	184,000
State disability assistance payments	258,000
FIELD OPERATIONS AND SUPPORT SERVICES	
Contractual services, supplies, and materials	23,000
Employment and training support services	9,000
DISABILITY DETERMINATION SERVICES	
Disability determination operations	4,000
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	
Behavioral health program administration	343,000
Community substance use disorder prevention, education, and treatment	16,753,400
Gambling addiction	768,000
Mental health diversion council	1,348,000
BEHAVIORAL HEALTH SERVICES	
Autism services	117,632,400
Certified community behavioral health clinic demonstration	4,500,000
Community mental health non-Medicaid services	125,578,200
Health homes	37,000
Healthy Michigan plan - behavioral health	56,360,200
Medicaid mental health services	971,171,500
Medicaid substance use disorder services	26,513,700
Multicultural integration funding	1,494,000
Nursing home PAS/ARR-OBRA	3,476,200

State disability assistance program substance use disorder services	2,018,800
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES	
Caro Regional Mental Health Center - psychiatric hospital – adult	228,000
Center for forensic psychiatry	504,000
Hawthorn Center - psychiatric hospital - children and adolescents	68,000
Kalamazoo Psychiatric Hospital - adult	40,000
Walter P. Reuther Psychiatric Hospital - adult	50,000
HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES	
Primary care services	99,000
EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY	
Epidemiology administration	354,000
Healthy homes program	601,000
LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
AIDS prevention, testing, and care programs	2,470,000
Cancer prevention and control program	71,000
Chronic disease control and health promotion administration	280,000
Essential local public health services	51,269,300
Local health services	2,658,000
Public health administration	2,000
Sexually transmitted disease control program	484,000
Smoking prevention program	152,000

FAMILY HEALTH SERVICES	
Dental programs	1,760,000
Family planning local agreements	267,000
Immunization program	2,310,000
Pregnancy prevention program	226,000
Prenatal care outreach and service delivery support	3,548,000
CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Medical care and treatment	897,000
Outreach and advocacy	2,755,000
AGING AND ADULT SERVICES AGENCY	
Aging and adult services administration	1,359,000
Community services	28,495,600
Nutrition services	12,597,200
Respite care program	6,468,700
Senior volunteer service programs	672,000
MEDICAL SERVICES	
Adult home help services	172,000
Ambulance services	527,000
Auxiliary medical services	1,000
Dental services	632,000
Healthy Michigan plan	1,089,000
Home health services	8,000
Hospice services	43,000
Hospital disproportionate share payments	20,000
Hospital services and therapy	3,274,000
Long-term care services	99,363,000

Medicaid home- and community-based services waiver	13,383,000
Personal care services	32,000
Pharmaceutical services	18,000
Physician services	3,376,000
Special Medicaid reimbursement	40,000
Transportation	158,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	$ 1,742,019,200

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

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

(a) "AIDS" means acquired immunodeficiency syndrome.

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

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

(d) "Current fiscal year" means the fiscal year ending September 30, 2022.

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

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

(g) "DSH" means disproportionate share hospital.

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

(i) "Federal poverty level" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to

revise the poverty line under 42 USC 9902.

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

(k) "GME" means graduate medical education.

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

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

(n) "HMO" means health maintenance organization.

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

(p) "IDG" means interdepartmental grant.

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

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

(s) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

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

(u) "MIChild" means the program described in section 1670 of this part.

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

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

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

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

(z) "Previous fiscal year" means the fiscal year ending September 30, 2021.

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

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

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

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

(ee) "Title IV-B" means part B of title IV of the social security act, 42 USC 621 to 629m.

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

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

(hh) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to

states for family planning services.

Sec. 204. The department and agencies receiving appropriations in part 1 shall use the internet to fulfill the reporting requirements of this part and part 1. This requirement shall include transmission of reports via email to the recipients identified for each reporting requirement, and it shall include placement of reports on the internet.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261:

(a) Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. Consistent with section 217 of the management and

budget act, 1984 PA 431, MCL 18.1217, the department and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

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

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house

appropriations committees, and the senate and house fiscal agencies.

Sec. 211. From the funds appropriated in part 1, the department shall provide to the department of technology, management, and budget information sufficient to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

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

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

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

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

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the senate and house appropriations subcommittees chairs, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous fiscal year and the current fiscal year. The department shall provide to the state budget office information sufficient to complete the report required under this section.

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

improve the department's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the current fiscal year are estimated at $326,296,500.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $182,808,800.00. Total agency appropriations for retiree health care legacy costs are estimated at $143,487,700.00.

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

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

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

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

(2) The department's ability to satisfy appropriation fund sources in part 1 is not limited to collections and accruals pertaining to services provided in the current fiscal year, but also includes reimbursements, refunds, adjustments, and settlements from prior years.

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

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

Sec. 218. (1) As required under part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, the list of basic health services to be funded in the current fiscal year from the appropriations in part 1 shall include the following:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

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

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

(h) Prenatal care.

(2) By January 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the revisions to the list of basic health services, listed in subsection (1), and program statements that have been prepared and published as required under section 2311 of the public health code, 1978 PA 368, MCL 333.2311.

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

(a) A detailed description of each funded project.

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

(c) The expected project duration.

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

(2) On or before December 30 of the current fiscal year, the

department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan Public Health Institute, its subcontractors, or the department with the funds appropriated in the department's budget in the previous fiscal year and allocated to the Michigan Public Health Institute.

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

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

Sec. 222. (1) The department shall provide written notification 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 of any major policy changes at least 30 days before the implementation date of those policy changes.

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

(3) The department shall report by April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations

subcommittees on the budget for the department, the joint committee on administrative rules, the senate and house fiscal agencies, and policy offices. The department shall attach each policy bulletin issued during the prior calendar year to this report.

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

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

Sec. 225. (1) Funds appropriated in part 1 for unclassified salaries are contingent upon sanctions, suspensions, conditions for provisional license status, and other penalties not being more

stringent for private service providers than for public entities performing equivalent or similar services.

(2) Funds appropriated in part 1 for unclassified salaries are contingent upon both of the following:

(a) Neither the department nor private service providers or licensees being granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers.

(b) Private service providers or licensees without collective bargaining agreements not being subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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

(a) A detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

(b) A description of allocations or bid processes including need or demand indicators used to determine allocations.

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

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of residents of this state.

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

(2) By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on penalty amounts assessed and paid by account during the current fiscal year, the reason for the penalty, and the current status of the account.

Sec. 229. (1) From the $370,000.00 of TANF revenue appropriated in part 1 for training and program support, the department shall extend the interagency agreement with the office of employment and training within the department of labor and economic opportunity for the duration of the current fiscal year, which concerns TANF funding to provide job readiness and welfare-to-work programming. $10,000.00 of TANF revenue is appropriated in part 1 for the department to report the following specific outcome

and performance measures to the senate and house appropriations subcommittees on the department budget, the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by January 1 of the current fiscal year for the previous fiscal year:

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

(*i*) Direct services to recipients.

(*ii*) Administrative expenditures.

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

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

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

(*iii*) Average TANF spending per recipient.

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

(c) The following data itemized by Michigan Works! agency:

(*i*) The number of referrals to Michigan Works! job readiness programs.

(*ii*) The number of referrals to Michigan Works! job readiness programs who became a participant in the Michigan Works! job readiness programs.

(*iii*) The number of participants who obtained employment, and the cost per participant case.

Sec. 230. By December 31 of the current fiscal year, the

department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office on the status of the implementation of any noninflationary, noncaseload, programmatic funding increases in the current fiscal year from the previous fiscal year. The report shall confirm the implementation of already implemented funding increases and provide explanations for any planned implementation of funding increases that have not yet occurred. For any planned implementation of funding increases that have not yet occurred, the department shall provide an expected implementation date and the reasons for delayed implementation.

Sec. 231. (1) From the funds appropriated in part 1, the department shall provide sufficient funding to increase the wages paid to direct care workers described in subsection (2) by $2.35 per hour above the rates paid on March 1, 2020 for the current fiscal year.

(2) The direct care wage increase shall be provided to direct care workers employed by the department, its contractors, and its subcontractors who received a $2.00 per hour state-funded wage increase beginning in April 2020. The total combined direct care wage increases from the April 2020 direct care wage increase and the wage increase outlined in this section is $2.35 per hour and is in effect for the current fiscal year.

(3) From the funds appropriated in part 1, the department shall provide sufficient funding to increase the wages paid to direct care workers described in subsections (4), (5), (6), and (7) by $2.35 per hour above the rates paid on June 1, 2020 for the current fiscal year.

(4) A direct care wage increase of $2.35 per hour shall be provided to direct care workers employed by skilled nursing facilities for the current fiscal year. This funding shall include all costs incurred by the employer, including payroll taxes, due to the $2.35 per hour increase. As used in this subsection, "direct care workers" means a registered professional nurse, licensed practical nurse, competency-evaluated nursing assistant, and respiratory therapist.

(5) A direct care wage increase of $2.35 per hour shall be provided to direct care workers employed by area agencies on aging and its contractors for in-home and respite services for the current fiscal year. This funding shall include all costs incurred by the employer, including payroll taxes, due to the $2.35 per hour increase.

(6) A direct care wage increase of $2.35 per hour shall be provided for the current fiscal year to direct care workers employed by licensed adult foster care homes and licensed homes for the aged who were not eligible for any direct care worker pay adjustment under any other subsection of this section. This funding shall include all costs incurred by the employer, including payroll taxes, due to the $2.35 per hour increase.

(7) A direct care wage increase of $2.35 per hour shall be provided for the current fiscal year to direct support employees and job coaches who work in supported employment arrangements and who were not eligible for any direct care worker pay adjustment under any other subsection of this section. This funding shall include all costs incurred by the employer, including payroll taxes, due to the $2.35 per hour increase.

(8) From the funds appropriated in part 1, a direct care wage

increase of $2.00 per hour shall be provided for the current fiscal year to front line workers employed by child caring institutions. This funding shall include all costs incurred by the employer, including payroll taxes, due to the $2.00 per hour increase. As used in this section, a "child caring institution" means that term as defined in 1973 PA 116, MCL 722.111 to 722.128.

(9) Contractors and subcontractors receiving funding to support these direct care wage increases shall be required to provide documentation of the wage increases provided under this section to the department.

(10) Any payment enhancement above the hourly rate in effect immediately before the wage increase is of no effect in determining any employee's average compensation as provided by any contract or other provision of law.

(11) A direct care worker may elect to not receive the wage increase provided in this section. The election to not receive the wage increase in this section must be made either in writing or electronically. The employer of a direct care worker who has elected to not receive the wage increase in this section must remit back to this state any of the funds authorized by this section based on the number of direct care workers it employs who have elected to not receive the wage increase authorized by this section.

(12) Contractors and subcontractors receiving funding to support the direct care wage increase under this section shall report to the department by February 1 of the current fiscal year the range of wages paid to direct care workers, including information on the number of direct care workers at each wage level.

(13) The department shall report the information required to be reported according to subsection (12) 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 March 1 of the current fiscal year.

Sec. 232. (1) The department shall provide the approved spending plan for each line item receiving an appropriation in the current fiscal year to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies within 60 days after approval by the department but not later than January 15 of the current fiscal year. Compliance with this section is not met unless a line-item appropriation name is included in all places that a line-item appropriation number is listed. The spending plan shall include the following information regarding planned expenditures for each category: allocation in the previous period, change in the allocation, and new allocation. The spending plan shall include the following information regarding each revenue source for the line item: category of the fund source indicated by general fund/general purpose, state restricted, local, private or federal. Figures included in the approved spending plan shall not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For amounts listed in the other contracts category of each spending plan, the department shall provide a list of all contracts and grants and amounts for the current fiscal year, and include the name of the line item and the

name of the fund source related to each contract or grant and amount. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year, and include the name of the line item and the name of the fund source related to each amount and expenditure.

(2) Notwithstanding any other appropriation authority granted in part 1, the department shall not appropriate any additional general fund/general purpose funds or any related federal and state restricted funds without providing a written 30-day notice to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices.

Sec. 233. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this article, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this article for the particular department, board, commission, officer, or institution.

Sec. 234. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 236. For behavioral and physical health services provided through managed care or the fee-for-service program, the department shall require the same reimbursement for that service, if that

service is provided through telemedicine, as if the service involved face-to-face contact between the health care professional and the patient.

Sec. 240. Appropriations in part 1 shall, to the extent possible by the department, not be expended in cases where existing work project authorization is available for the same expenditures.

Sec. 241. From the funds appropriated in part 1 for departmental administration and management, $100,000.00 is allocated to produce a description of programs report for the previous fiscal year by February 1 of the current fiscal year. The report shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the appropriation unit, the line-item name and number, the appropriation history, the program name, the program overview, the financing detail, and where applicable, the legal basis for the program and program effectiveness and outcomes.

Sec. 249. From the funds appropriated in part 1, no funds shall be expended to develop, create, implement, or enforce any proposal or process that creates a vaccine passport or any other such physical or virtual document that is to be used to restrict access to employment or services by people who have not received a COVID-19 vaccination.

Sec. 250. From the funds appropriated in part 1, no funds shall be expended to develop, create, promulgate, or enforce any orders or other directives under section 2226 of the public health code, 1978 PA 368, MCL 333.2226 that require an individual in this state who is under the age of 18 to wear a face mask or face covering.

Sec. 251. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for that line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item appropriation exceedance and shall identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for that line-item appropriation by a greater amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

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

Sec. 253. (1) From the funds appropriated in part 1, $254,364,200.00 is appropriated for information technology services and projects. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house

appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(2) From the funds appropriated in part 1, $63,867,200.00 is appropriated for Bridges information system. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(3) From the funds appropriated in part 1, $21,543,500.00 is appropriated for Michigan statewide automated child welfare information system. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(4) From the funds appropriated in part 1, $137,882,200.00 is appropriated for Michigan Medicaid information system. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(5) From the funds appropriated in part 1, $43,819,500.00 is appropriated for child support automation. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(6) From the funds appropriated in part 1, $15,984,600.00 is appropriated for technology supporting integrated service delivery. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(7) From the funds appropriated in part 1, $3,762,200.00 is appropriated for comprehensive child welfare information system. For all expenditures of funds appropriated in this subsection, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on any expenditure that was not made under an agile software development plan funded with a time and materials contract.

(8) From the funds appropriated in part 1, $3,762,200.00 is appropriated for comprehensive child welfare information system. This state shall be the owner of any software purchased or developed from expenditures made under this subsection or it shall be committed to the public domain.

(9) From the funds appropriated in part 1, $3,762,200.00 is appropriated for comprehensive child welfare information system and $1,000,000.00 of these funds shall be used by the department to choose a product owner that will implement a user-centered design that includes user stories into the development of comprehensive child welfare information system. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the selection of a product owner for comprehensive child welfare information system.

(10) From the funds appropriated in part 1, $3,762,200.00 is appropriated for comprehensive child welfare information system and $1,000,000.00 of these funds shall be used by the department to provide updates as requested by the chairs of the house and senate appropriations committees or the chairs of the house and senate appropriations subcommittees on the department budget. Information updates provided by the department, upon request, shall also be accessible to the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the status of the work completed to date. The updates shall include demonstrations of the completed work during the sprint period. During these demonstrations, the department shall provide a quality assessment surveillance plan as shown in appendix B of "De-risking custom technology projects" from the United States General Services Administration. At each demonstration, the department shall validate which user stories have been included into the software development and the remaining user stories that will be included into the product.

(11) As used in this section:

(a) "Agile software development" means the use of development methodologies using iterative development with work completed by cross-functional teams of software development.

(b) "Product owner" means a department employee who iteratively prioritizes and defines the work for the product team, works with users, stakeholders, technologists, and the software vendor to envision the direction for the product, and ensures that value is being delivered to end users as quickly as possible.

(c) "User centered design" means software development that places the highest priority on the needs of the specific people who are expected to use the software.

(d) "User stories" means a task that the agile software development team will focus on over a given 2-week development period and includes clearly labeled progress towards meeting the needs of the end users.

Sec. 258. In collaboration with the department of education, the department shall promote and support initiatives in schools and other educational organizations that include, but are not limited to, training for educators, teachers, and other personnel in school settings for all of the following:

(a) The utilization of trauma-informed practices.

(b) Age-appropriate education and information on human trafficking.

(c) Age-appropriate education and information on sexual abuse prevention.

Sec. 263. (1) Except as otherwise provided in this subsection, before submission of a waiver, a state plan amendment, or a similar proposal to CMS or other federal agency, the department shall provide written notification of the planned submission to the house

and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget office. This subsection does not apply to the submission of a waiver, a state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of waiver, state plan amendment, or similar proposed submissions.

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

Sec. 264. The department shall not take disciplinary action against an employee of the department or departmental agency in the state classified civil service because the employee communicates with a member of the legislature or his or her staff, unless the communication is prohibited by law and the department or agency taking disciplinary action is exercising its authority as provided by law.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered according to section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. By February 1 of the current fiscal year, the department shall

submit a written report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office that includes, at a minimum, all of the following:

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

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

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

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

Sec. 274. (1) The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices 1 week after the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2021 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

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

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

(e) Low-income home energy assistance program.

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

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

(a) Other departments.

(b) Local units of government.

(c) Private sources.

Sec. 275. (1) On a quarterly basis, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations in order to maximize federal revenues. This realignment of financing shall not produce a gross increase or decrease in the department's total individual line item authorizations, nor will it produce a net increase or decrease in total federal revenues, or a net increase in TANF authorization.

(2) On a quarterly basis the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and

senate policy offices on the realignment of federal fund sources transacted to date in the current fiscal year under the authority of subsection (1), including the dates, line items, and amounts of the transactions.

(3) Within 30 days after the date on which year-end book closing is completed, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

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

(a) FTE authorization.

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

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

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

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

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

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

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

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

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

Sec. 296. From the funds appropriated in part 1, the department to the extent permissible under section 8 of 1964 PA 170, MCL 691.1408, is responsible for the necessary and reasonable attorney fees and costs incurred by private and independent legal

counsel chosen by current and former classified and unclassified department employees in the defense of the employees in any state or federal lawsuit or investigation related to the water system in a city or community in which a declaration of emergency was issued because of drinking water contamination.

Sec. 297. (1) On a quarterly basis, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies the following information:

(a) The number of FTEs in pay status by type of staff and civil service classification.

(b) A comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.

(2) By April 1 of the current fiscal year and semiannually thereafter, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies the following information:

(a) The number of employees that were engaged in remote work in 2020.

(b) The number of employees of the department authorized to work remotely and the actual number of those working remotely in the current reporting period.

(c) The estimated net cost savings achieved by the department by remote work.

(d) The reduced use of office space associated with remote work by the department.

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

(2) From funds appropriated in part 1, for all RFPs issued during the current fiscal year where an existing service received proposals by multiple vendors, the department shall notify all vendors within 30 days after the RFP decision. The notification to vendors shall include details on the RFP process, including the respective RFP scores and the respective cost for each vendor. If the highest scored RFP or lowest cost RFP does not receive the contract for an existing service offered by the department, the notification shall issue an explanation for the reasons that the highest scored RFP or lowest cost RFP did not receive the contract and detail the incremental cost target amount or service level required that was required to migrate the service to a new vendor. Additionally, the department shall include in the notification details as to why a cost or service difference is justifiable if the highest scored or lowest cost vendor does not receive the 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 includes the following:

(a) A summary of all RFPs issued for a contract in excess of $5,000,000.00 including whether an RFI or RFQ was considered, and whether an RFI or RFQ was issued before issuing the RFP or whether the issuance of an RFI or RFQ was determined not to be necessary.

(b) A summary of all RFPs during the current fiscal year if an existing service received proposals by multiple vendors.

(c) A list of all finalized RFPs if there was a divergence from awarding the contract to the lowest-cost or highest-scoring vendor, and details as to why a divergence is justifiable as provided in the notification to vendors under subsection (2).

(d) 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 January 2005.

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

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

Sec. 309. By April 1 of the current fiscal year the department, in consultation with stakeholders, shall design a demonstration project to implement web-based intensive information therapy within the Medicaid managed care program. The purpose of this demonstration project shall be to connect health care providers, beneficiaries, and Medicaid health plans for the purpose of addressing deficiencies in health literacy and its potential impact on a beneficiary's health disparities, care compliance, health outcomes per capita expenditures, and per capita utilization.

Sec. 316. From the funds appropriated in part 1 for terminal leave payments, the department shall not spend in excess of its annual gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item supporting

administrative costs, as provided by section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

CHILD SUPPORT ENFORCEMENT

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

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

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

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

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

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

Sec. 409. (1) If statewide retained child support collections exceed $38,300,000.00, 75% of the amount in excess of $38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to

supplement and not supplant county title IV-D funding.

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

Sec. 410. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

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

COMMUNITY SERVICES AND OUTREACH

Sec. 450. (1) From the funds appropriated in part 1 for school success partnership program, the department shall allocate $525,000.00 of TANF revenue by December 1 of the current fiscal year to support the Northeast Michigan Community Service Agency programming. The department shall require the following performance objectives be measured and reported for the duration of the state funding for the school success partnership program:

(a) Increasing school attendance and decreasing chronic absenteeism.

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

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

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

(2) By July 15 of the current fiscal year, the Northeast Michigan Community Service Agency shall provide reports to the department on the number of children and families served and the services that were provided to families to meet the performance objectives identified in this section. The department shall distribute the reports within 1 week after receipt 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.

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

Sec. 453. (1) From the funds appropriated in part 1 for homeless programs, the department shall allocate funds to the emergency shelter program to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. Expected outcomes are increased shelter discharges to stable housing destinations, decreased recidivism rates for shelter clients, and a reduction in the average length of

stay in emergency shelters.

(2) By March 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office a report on the total amount expended for the program in the previous year, the total number of shelter nights provided, and the average length of stay in an emergency shelter.

Sec. 454. The department shall allocate the full amount of funds appropriated in part 1 for homeless programs to provide services for homeless individuals and families, including, but not limited to, third-party contracts for emergency shelter services.

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

Sec. 456. From the funds appropriated in part 1 for homeless programs, the department shall reimburse public service agencies

that provide documentation of paying birth certificate fees on behalf of category 1 homeless clients at county clerk's offices.

Sec. 457. (1) From the funds appropriated in part 1 for the uniform statewide sexual assault evidence kit tracking system, in accordance with the final report of the Michigan sexual assault evidence kit tracking and reporting commission, $800,000.00 is allocated from the sexual assault evidence tracking fund to contract for the administration of a uniform statewide sexual assault evidence kit tracking system. The system shall include the following:

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

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

(c) Secure electronic access for victims.

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

(2) By March 30 of the current fiscal year, 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 a status report on the administration of the uniform statewide sexual assault evidence kit tracking system, including operational status and any known issues regarding implementation.

(3) The sexual assault evidence tracking fund established in section 1451 of 2017 PA 158 shall continue to be maintained in the department of treasury. Money in the sexual assault evidence

tracking fund at the close of a fiscal year remains in the sexual assault evidence tracking fund and does not revert to the general fund and shall be appropriated as provided by law for the development and implementation of a uniform statewide sexual assault evidence kit tracking system as described in subsection (1).

(4) By September 30 of the current fiscal year, 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 a report on the findings of the annual audit of the proper submission of sexual assault evidence kits as required by and in compliance with the sexual assault kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935. The report must include, but is not limited to, a detailed county-by-county compilation of the number of sexual assault evidence kits that were properly submitted and the number that met or did not meet deadlines established in the sexual assault kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of sexual assault evidence kits retrieved by law enforcement after analysis, and the physical location of all released sexual assault evidence kits collected by health care providers in that year, as of the date of the annual draft report for each reporting agency.

Sec. 458. From the funds appropriated in part 1 for crime victim rights services grants, the department shall allocate $2,000,000.00 of crime victim's rights fund to maintain increased grant funding to support the further use of crime victim advocates in the criminal justice system. The purpose of the additional funding is to increase available grant funding for crime victim

advocates to ensure that the advocates have the resources, training, and funding needed to respond to the physical and emotional needs of crime victims and to provide victims with the necessary services, information, and assistance in order to help them understand and participate in the criminal justice system and experience a measure of safety and security throughout the legal process.

Sec. 459. From the funds appropriated in part 1 for child advocacy centers, the department shall maintain the recent $1,000,000.00 increase to provide additional funding to child advocacy centers to support the general operations of child advocacy centers. The purpose of this additional funding is to increase the amount of services provided to children and their families who are victims of abuse over the amount provided in the previous fiscal year. None of the additional funding directed in this section shall be used for purposes other than those described under section 4 of the children's advocacy center act, 2008 PA 544, MCL 722.1044.

Sec. 461. By March 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office a report on the total amount expended for runaway and homeless youth services programs in the previous year, and the total number of shelter nights for youth provided.

Sec. 462. (1) If funding becomes available from the funds appropriated in part 1 for crime victim justice assistance grants, the department shall allocate $4,000,000.00 to implement 4 trauma recovery center program pilot projects. The pilot projects shall

utilize the evidence-informed integrated trauma recovery services model developed by the University of California - San Francisco for service provision and shall be located in a city with a population between 52,300 and 55,000 according to the most recent federal decennial census, in a city with a population between 100,000 and 105,000 according to the most recent federal decennial census, in a city with a population between 150,000 and 200,000 according to the most recent federal decennial census, and in a city with a population greater than 500,000 according to the most recent federal decennial census.

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

(3) If funding becomes available, by March 1 of the current fiscal year, the department shall report to the senate and house subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on all of the following:

(a) The number of participants by pilot project site.

(b) The number of participants by crime type, broken down by pilot project site.

(c) The number of direct service providers by pilot project site.

(d) The number of direct services provided, broken down by type of service and by pilot project site.

(e) The administrative costs by pilot project site.

(f) The average length of service provision by pilot project site.

(g) The average length of service provision, broken down by type of service and by pilot project site.

(h) The average cost per participant by pilot project site.

Sec. 463. The department may, in consultation with the Michigan department of education, the Michigan domestic and sexual violence prevention and treatment board, and the Michigan Coalition to End Domestic and Sexual Violence, redraft the curriculum for the "Growing Up & Staying Healthy" and "Healthy & Responsible Relationships" modules to include age-appropriate information about the importance of consent, setting and respecting personal boundaries, and the prevention of child sexual abuse as outlined in section 1505 of the revised school code, 1976 PA 451, MCL 380.1505, and consistent with the recommendations and guidelines set by the task force on the prevention of sexual abuse of children created under section 12b of the child protection law, 1975 PA 238, MCL 722.632b, and the prevention of sexual assault and dating violence.

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

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

(2) By March 1 of the current fiscal year, the department shall provide 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 a report describing the steps that will be taken to achieve the specific goal established in this section and on the percentage of children who currently are in foster care and who have been in foster care a total of 24 or more months.

Sec. 502. From the funds appropriated in part 1 for foster

care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing. The department may provide up to 100% reimbursement to Indian tribes that enter into a state-tribal title IV-E agreement allowed under this state's title IV-E state plan.

Sec. 503. (1) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall continue to review, update, or develop actuarially sound case rates for necessary child welfare foster care case management services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.

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

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

(4) The department, in conjunction with members from both the house of representatives and senate, private child placing agencies, the courts, and counties shall continue to implement the

recommendations that are described in the workgroup report that was provided in section 503 of article X of 2013 PA 59 to establish a performance-based funding model pilot program for public and private child welfare services providers. The department shall provide quarterly reports on the status of the performance-based contracting model to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

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

Sec. 504. (1) From the funds appropriated in part 1, the department shall continue the master agreement with the West Michigan Partnership for Children Consortium for the fifth year of the planned 5-year agreement to pilot a performance-based child welfare contracting pilot program. The consortium shall consist of a network of affiliated child welfare service providers that will

accept and comprehensively assess referred youth, assign cases to members of its continuum or leverage services from other entities, and make appropriate case management decisions during the duration of a case.

(2) As a condition for receiving the funding in part 1, the West Michigan Partnership of Children Consortium shall maintain a contract agreement with the department that supports a global capitated payment model. The capitated payment amount shall be based on historical averages of the number of children served in Kent County and for the costs per foster care case. The West Michigan Partnership for Children Consortium is required to manage the cost of the child population it serves. The capitated payment amount shall be reviewed and adjusted no less than twice during the current fiscal year or due to any policy changes implemented by the department that result in a volume of placements that differ in a statistically significant manner from the amount allocated in the annual contract between the department and the West Michigan Partnership for Children as determined by an independent actuary as well as to account for changes in case volumes and any statewide rate increases that are implemented. The contract agreement requires that the West Michigan Partnership for Children Consortium shall maintain the following stipulations and conditions:

(a) That the service component of the capitated payment will be calculated assuming rates paid to providers under the pilot program are generally consistent with the department's payment policies for providers throughout the rest of this state.

(b) To maintain a risk reserve of at least $1,500,000.00 to ensure it can meet unanticipated expenses within a given fiscal year.

(c) That until the risk reserve is established, the West Michigan Partnership for Children Consortium shall submit to the department a plan for how they will manage expenses to fit within their capitated payment revenue. The department shall review and approve any new investments in provider payments above statewide rates and norms to ensure they are supported by offsetting savings so that costs remain within available revenue.

(d) To cooperate with the department on an independent fiscal analysis of costs incurred and revenues received during the course of the pilot program to date.

(3) By March 1 of the current fiscal year, the consortium shall provide to the department and the house and senate appropriations subcommittees on the department budget a report on the consortium, including, but not limited to, actual expenditures, number of children placed by agencies in the consortium, fund balance of the consortium, and the outcomes measured.

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

Sec. 506. From the funds appropriated in part 1 for attorney general contract, by March 1 of the current fiscal year, 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, a report on the juvenile justice system in any county in which funds appropriated in part 1 are expended. The report shall include, but not be limited to, the following:

(a) The number of youth referred or committed to the department for care or supervision in the previous fiscal year and in the first quarter of the current fiscal year.

(b) The number of youth referred or committed to the care or supervision of the county in which funds appropriated in part 1 were expended for the previous fiscal year and the first quarter of the current fiscal year.

(c) The type of setting for each youth referred or committed for care or supervision, any applicable performance outcomes, and identified financial costs or savings.

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

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

(2) For the funds described in subsection (1), the department shall ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall make available

the children's trust fund contract funds to grantees within 31 days of the start date of the funded project.

Sec. 509. From the funds appropriated in part 1 for adoption support services, the department shall maintain the increase of contracted rates paid to private child placing agencies for adoption placement rates.

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

Sec. 512. As required by the settlement, by March 1 of the current fiscal year, the department shall report 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 on the following information for cases of child abuse or child neglect from the previous fiscal year:

(a) The total number of relative care placements.

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

(c) A list of the reasons from a sample of cases where relatives were denied foster home licensure as documented by the department.

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

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

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

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

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

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

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

(3) The department shall submit an annual report by March 1 of the current fiscal year to the state court administrative office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the number of Michigan children residing in out-of-state facilities in the previous fiscal year and shall include the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of

residence for each child.

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

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

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

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

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

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

(*v*) For the reported complaints of child abuse or child neglect by teachers, school administrators, and school counselors, the number of cases classified under category I or category II and

the number of cases classified under category III, category IV, or category V.

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

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period. The report shall also include a summary of the actions undertaken and applicable expenditures to achieve compliance with the office of the auditor general audit number 431-1285-16.

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

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

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

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

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

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

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

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

(d) Statistical information regarding category III open/close policy including the number of cases that were open/closed, the number of cases that were opened for monitoring, and the 12-month recidivism rate for both.

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

Sec. 515. If a child protection services caseworker requests approval for another child protection services caseworker or other department employee to accompany them on a home visit because the caseworker believes it would be unsafe to conduct the home visit alone, the department shall not deny the request.

Sec. 516. From funds appropriated in part 1 for child care fund, the administrative or indirect cost payment equal to 10% of a county's total monthly gross expenditures shall be distributed to the county on a monthly basis and a county is not required to submit documentation to the department for any of the expenditures that are covered under the 10% payment as described in section 117a(4)(b)(*ii*) and (*iv*) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 517. From the funds appropriated in part 1, no title IV-E funds are appropriated under any title IV-E appeals policy that differs from the appeals policy in place as of the fiscal year ending September 30, 2017.

Sec. 518. Supervisors must make an initial read of a caseworker's report on a child abuse or child neglect investigation

and note any corrections required, or approve the report, within 5 business days after the initial reading of a caseworker's report. The caseworker must resubmit a report that needs corrections within 3 business days after the receipt of a report that requires corrections.

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

Sec. 520. (1) The department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 15 of the current fiscal year on the number of days of care and expenditures by funding source for the previous fiscal year for out-of-home placements by specific placement programs for child abuse or child neglect and juvenile justice, including, but not limited to, paid relative placement, department direct family foster care, private agency supervised foster care, private child caring institutions, county-supervised facilities, court-supervised facilities, and independent living. The report shall also include the number of days of care for department-operated residential juvenile justice facilities by security classification.

(2) For the purposes of the report in subsection (1), living arrangements include, but are not limited to, paid relative placement, department direct family foster care, private agency supervised foster care, private child caring institutions, county-supervised facilities, court-supervised facilities, and independent living.

Sec. 521. (1) From the funds appropriated in part 1 for child care fund – indirect cost allotment, the department shall allocate $3,500,000.00 to counties and tribal governments that receive reimbursements in part 1 from child care fund.

(2) The amount described in subsection (1) shall be distributed to each county or tribal government in the same proportion as indirect cost allotments are provided to counties in the manner described in section 117a of the social welfare act, 1939 PA 280, MCL 400.117a.

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

(2) On a semiannual basis, the department shall provide a report 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 that includes the number of youths who received scholarships under this section and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. (1) By February 15 of the current fiscal year, 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 a report on the families first, family reunification, and

families together building solutions family preservation programs. The report shall provide population and outcome data based on contractually required follow-up evaluations for families who received family preservation services and shall include information for each program on any innovations that may increase child safety and risk reduction.

(2) From the funds appropriated in part 1 for runaway homeless youth grant and domestic violence prevention and treatment, the department is authorized to make allocations of TANF revenue only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(3) By October 1 of the current fiscal year, from the funds appropriated in part 1 for family preservation services, the department shall retain the rates established by the increase provided in section 523(3) of article 6 of 2020 PA 166.

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

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

Sec. 526. From the funds appropriated in part 1 for court-appointed special advocates, the department shall allocate

$1,000,000.00 to fund a project with 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 charter township with a population of between 16,000 and 17,000 according to the most recent federal decennial census that is located in a county with a population of between 600,000 and 605,000 according to the most recent federal decennial census. The nonprofit organization recipient shall have an existing network of affiliate programs operating in at least 25 counties in this state. The nonprofit organization shall use the funds to recruit, screen, train, and supervise volunteers who provide advocacy services on behalf of abused and neglected children.

Sec. 527. From the funds appropriated in part 1 for settlement monitor, $500,000.00 is allocated for the department to calculate adoption worker caseloads for private child placing agencies and the department shall exclude the following case types with the approval of the settlement monitor:

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

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

Sec. 529. From the funds appropriated in part 1 for family preservation programs, the department shall maintain the funding levels of the families first, family reunification, and families

together building solutions family preservation programs as of September 30, 2021. For the current fiscal year as the department moves towards implementation of the federal family first prevention services act, Public Law 115-123, the funding available to serve families through the existing family preservation programs shall not be reduced or diverted to other programs.

Sec. 530. (1) All master contracts relating to foster care and adoption services as funded by the appropriations in section 105 of part 1 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

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

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

Sec. 533. The department shall make payments to child placing

facilities for in-home and out-of-home care services and adoption services within 30 days after receiving all necessary documentation from those agencies. It is the intent of the legislature that the burden of ensuring that these payments are made in a timely manner and no payments are in arrears is upon the department.

Sec. 534. 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 March 1 of the current fiscal year a report on the adoption subsidies expenditures from the previous fiscal year. The report shall include, but is not limited to, the range of non-$0.00 annual adoption support subsidy amounts, for both title IV-E eligible cases and state-funded cases, paid to adoptive families, the number of title IV-E and state-funded cases, the number of cases in which the adoption support subsidy request of adoptive parents for assistance was denied by the department, and the number of adoptive parents who requested a redetermination of adoption support subsidy.

Sec. 535. (1) From the funds appropriated in part 1 for children's services administration, $5,000,000.00 is allocated for the department by December 1 of the current fiscal year, to create a program in which unlicensed relatives are reviewed and approved as meeting the standards established for state licensing for foster care. For any placements approved as meeting the standards established for state licensing for foster care, the department shall seek title IV-E claims for foster care maintenance payments and foster care administrative payments.

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

on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report on the number of unlicensed relative placements not approved as meeting the standards established for state licensing and the status of title IV-E claims described in subsection (1).

Sec. 536. By March 1 of the current fiscal year, the department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the policy offices a report on the status of the department's planned and achieved implementation of the federal family first prevention services act, Public Law 115-123. The report shall include, but not be limited to, an estimate of the 5-year spending plan for administrative and compliance costs, a summary of all historical expenditures made to date for implementation by line-item appropriation and program type, information regarding compliance with title IV-E prevention requirements, the status of statewide compliance with the qualified residential treatment program requirements, a summary of provider concerns with respect to requirements under the qualified residential treatment program as that term is defined in section 1 of 1973 PA 116, MCL 722.111, a detailed methodology in determining any savings realized or estimated from a reduction in congregate care or residential placements, the department's conformity with federal model licensing standards, the department's plan for tracking and preventing child maltreatment deaths, and the department's plan for extending John H. Chafee foster care independence programs up to age 23.

Sec. 537. The department, in collaboration with child placing agencies, shall continue to comply with section 115o of the social

welfare act, 1939 PA 280, MCL 400.115o. Department caseworkers responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 538. By October 1 of the current fiscal year, the department shall submit to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the policy offices a report on the status of the department's program improvement plan associated with round 3 of the child and family services review (CFSR). The report shall also include, but not be limited to, a specific and detailed plan to provide an update on areas of substantial nonconformity identified in the CFSR such as the inadequacy of caseworker training provided by the department, the estimated costs necessary to reduce travel time for service delivery to rural areas, plans to improve caseworker engagement to reduce maltreatment in care, and steps undertaken by the department to emphasize permanency in case planning. Additionally, the department shall include the status for items currently being implemented and the description and cost estimate for the implementation for items that will be implemented in the current fiscal year.

Sec. 540. If a physician or psychiatrist who is providing services to state or court wards placed in a residential facility submits a formal request to the department to change the psychotropic medication of a ward, the department shall, if the ward is a state ward, make a determination on the proposed change within 7 business days after the request or, if the ward is a temporary court ward, seek parental consent within 7 business days

after the request. If parental consent is not provided within 7 business days, the department shall petition the court on the eighth business day.

Sec 541. From the funds included in part 1 for children's services administration, $250,000.00 is allocated to the department in order to provide training for all employees responsible for the investigation of complaints and licensing determinations for child caring institutions consistent with the practices taught under therapeutic crisis intervention training.

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

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

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

(4) From the funds appropriated in part 1, the department shall maintain rates that are no less than the rates in place on March 20, 2020 provided to each private provider of residential services.

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

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

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

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

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

Sec. 551. The department shall respond to counties within 30 days after any request for a clarification is requested through the department's child care fund management unit email address.

Sec. 552. Sixty days after a county's child care fund on-site review is completed, including the receipt of all requested documentation from the county, the department shall provide the results of the review to the county. The department shall not evaluate the relevancy, quality, effectiveness, efficiency, or impact of the services provided to youth of the county's child care fund programs in the review. Pursuant to state law, the department shall not release the results of the review to a third-party without the permission of the county being reviewed.

Sec. 558. From the funds appropriated in part 1 for child welfare institute, the department shall on a quarterly basis report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the limits in providing all necessary training and materials to designated private child placing agency staff in order for all pre-service training requirements specified by the settlement to be completed by private child placing agency staff at agency facilities. From the funds appropriated in part 1 for child welfare institute, $1,000,000.00 is allocated for private child placing agency staff to be trained by the department in order to deliver authorized pre-service training to any private child placing agency staff, regardless of agency. This section does not modify or amend current licensing, certification, or subject matter standards required by federal law, state law, or the settlement.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services, the department shall allocate $250,000.00 to the Adoptive Family Support Network by December 1 of the current fiscal year to operate and expand its adoptive parent

mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) The Adoptive Family Support Network 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 March 1 of the current fiscal year a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 562. The department shall provide time and travel reimbursements for foster parents who transport a foster child to parent-child visitations. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request these reimbursements for all parent-child visitations. The department shall provide these reimbursements within 60 days after receiving a request for eligible reimbursements from a foster parent.

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

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

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

shall provide 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 a report on the following:

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

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

Sec. 567. 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 March 1 of the current fiscal year a report on transfer of medical passports for children in foster care, including the following:

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

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

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

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

Sec. 573. (1) From the funds appropriated in part 1 for foster

care payments and child care fund, the department shall, if funds become available, pay providers of foster care services a per diem daily administrative rate for every case on a caseworker's caseload for the duration of a case from referral acceptance to the discharge of wardship.

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

(3) From the funds appropriated in part 1 for children's services administration, $1,000,000.00 is allocated for the department to submit a request to the settlement monitor to define caseload ratios in the settlement to only include active cases or to designate a zero case weight for cases that are routed for case closure but remain open to complete administrative activities.

Sec. 574. (1) From the funds appropriated for foster care payments, $1,375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families and unlicensed relatives caring for a family member through the child welfare system to accommodate children in foster care.

(2) By March 1 of the current fiscal year, the department shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office a report on the total amount expended in the previous year for grants to private and community-based foster care service providers for home improvements or physical exams as referenced in subsection (1) and the number of grants issued.

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

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

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

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

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

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

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

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

Sec. 592. The department shall submit quarterly reports to the chairs of the house and senate standing oversight committees, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office that include data from children's protective services staff for each of the following for the most recent 30-day period before the report is submitted:

(a) The percent of investigations commenced within 24 hours after receiving a report.

(b) The percent of central registry reviews performed for required individuals.

(c) The percent of face-to-face contacts made within the established timeframe required by the department.

(d) In appropriate cases, the percent of sibling placement evaluations completed when 1 or more children remain in the home after a child has been removed.

(e) The percent of supervisory reviews performed in a timely manner.

(f) The results of a department survey of child protective services investigators on the number of investigators who are concerned for his or her own personal safety.

(g) The percent of investigators using the mobile application or other tool to document compliance.

Sec. 593. (1) The department shall conduct an annual review in each county to determine if the county has adopted and implemented standard child abuse and child neglect investigation and interview protocols as required in section 8(6) of the child protection law, 1975 PA 238, MCL 722.628.

(2) By March 1 of the current fiscal year, the department shall submit an annual report to the chairs of the house and senate standing oversight committees, the governor's task force on child abuse and neglect, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the findings of each county's review described in subsection (1).

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

Sec. 595. (1) Due to the exigent circumstances found in the department's children's protective services (CPS) program by the office of the auditor general (OAG) audit number 431-1285-16, from

the funds appropriated in part 1, the department shall expend the funding for children's protective services - caseload staff in order to dedicate resources to CPS investigations. The department shall hire staff from the funds appropriated in part 1 for children's protective services - caseload staff for the department to come into compliance and sustain measured corrective action as determined by the OAG for OAG audit number 431-1285-16.

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

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

(b) The department is already providing direct foster care service to 1 or more siblings of the child ordered into a placement, and a department direct service provision can provide placement to the entire sibling group.

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

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

(4) This section does not require an individual county to meet

the case ratio described in subsection (3).

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

Sec. 598. Partial child care fund reimbursements to counties for undisputed charges shall be made within 45 business days after the receipt of the required forms and documentation. The department shall notify a county within 15 business days after a disputed reimbursement request. The department shall reimburse for corrected charges within 45 business days after a properly corrected submission by the county.

PUBLIC ASSISTANCE

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

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

Sec. 603. For any change in the income of a recipient of the food assistance program, the family independence program, or state disability assistance that results in a benefit decrease, the department must notify the affected recipient of the decrease in benefits amount no later than 15 work days before the first day of the month in which the change takes effect.

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

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

(b) Is an individual with a physical or mental impairment that meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance use disorder alone is not defined as a basis for eligibility.

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

(d) Is an individual receiving 30-day postresidential substance use disorder treatment.

(e) Is an individual diagnosed as having acquired immunodeficiency syndrome.

(f) Is an individual receiving special education services through the local intermediate school district.

(g) Is a caretaker of a disabled individual who meets the requirements specified in subdivision (a), (b), (e), or (f).

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they do both of the

following:

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

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

(3) Except for an individual described in subsection (1)(c) or (d), an individual is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

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

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any

assistance rendered through the family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

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

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

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

Sec. 609. The state supplementation level under the

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

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

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

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

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

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

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

Sec. 613. (1) The department shall provide reimbursements for

the final disposition of indigent persons. The reimbursements shall include all of the following:

(a) The maximum allowable reimbursement for the final disposition is $840.00.

(b) The adult burial with services allowance is $765.00.

(c) The adult burial without services allowance is $530.00.

(d) The infant burial allowance is $210.00.

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

(3) The department shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by October 1 of the current fiscal year on burial services payments issued from the state emergency relief program during the previous fiscal year. The report shall include the number of payments by burial services category for the following:

(a) Fetus or infant under age 1 month.

(b) Burial with memorial service.

(c) Burial without memorial service.

(d) Cremation with memorial service

(e) Cremation without memorial service.

(f) Transportation of a donated or unclaimed body being cremated.

(g) Cremation permit fee for an unclaimed body.

(h) Disposition of an unclaimed body.

(i) Payment where an irrevocable funeral agreement exists.

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

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is not a United States citizen, permanent resident alien, or refugee. This section does not prohibit the department from entering into contracts with food banks, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

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

Sec. 618. By March 1 of the current fiscal year, the department shall report 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 the quarterly number of supervised individuals who have absconded from supervision and whom a law enforcement agency, the department of corrections, or the department is actively seeking according to section 84 of the corrections code of 1953, 1953 PA 232, MCL 791.284.

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

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

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

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

Sec. 654. The department shall notify recipients of food assistance program benefits that their benefits can be spent with

their bridge cards at many farmers' markets in the state. The department shall also notify recipients about the Double Up Food Bucks program that is administered by the Fair Food Network. Recipients shall receive information about the Double Up Food Bucks program, including information that when the recipient spends $20.00 at participating farmers' markets through the program, the recipient can receive an additional $20.00 to buy Michigan produce.

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

Sec. 669. From the funds appropriated in part 1 for family independence program, the department shall allocate $7,230,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group.

Sec. 672. (1) The department's office of inspector general shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 15 of the current fiscal year on department efforts to reduce inappropriate use of Michigan bridge cards and food assistance program trafficking. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case, the number of recipients whose benefits were revoked, whether permanently or temporarily, as a result of

inappropriate use, and the number of retailers that were fined or removed from the electronic benefit transfer program for permitting inappropriate use of the cards. The report shall also include the number of Michigan bridge card trafficking instances and overall welfare fraud referrals that includes such information as the number of investigations completed, fraud and intentional program violation dollar amounts identified, the number of referrals to prosecutors, the number of administrative hearing referrals and waivers, and the number of program disqualifications imposed. The report shall distinguish between savings and cost avoidance. Savings include receivables established from instances of fraud committed. Cost avoidance includes expenditures avoided due to front-end eligibility investigations and other preemptive actions undertaken in the prevention of fraud.

(2) The department shall require an explanation from a recipient if a bridge card is replaced more than 2 times over any 3-month period.

(3) As used in this section:

(a) "Food assistance trafficking" means the buying and selling of food assistance benefits for cash or items not authorized under the food and nutrition act, 7 USC 2036.

(b) "Inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

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

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

(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 quarterly reports that include all of the following:

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

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

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

Sec. 686. (1) The department shall confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall confirm the address provided by any

individual seeking family independence program benefits or state disability assistance benefits.

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

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

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

(a) The number of applications received.

(b) The number of applications approved.

(c) The number of applications denied.

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

(e) The number of cases opened.

(f) The number of cases closed.

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

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

(3) The department shall, in quarterly reports, compile and make available on its website the following family independence

program information:

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

(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 family independence program-sanctioned households.

Sec. 689. From the funds appropriated in part 1 for diaper assistance payments, $250,000.00 shall be allocated as grants to diaper assistance programs established as of January 1, 2020. The funds shall only be used to purchase diapering supplies for children under 36 months of age. Funds shall be evenly distributed to all regions of this state as defined by the Michigan economic recovery council.

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 professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(12) of the social welfare act, 1939 PA 280, MCL 400.117a.

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

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

department no later than September 15.

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

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

Sec. 710. (1) The department shall create and participate in a workgroup to make recommendations to ensure the use of juvenile justice diversion programs in this state. The workgroup shall include a representative from the department, the state court administrative office, members of the house of representatives and

the senate, and other individuals or organizations as determined appropriate by the department.

(2) By April 15 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the house and senate policy offices, and the state budget office. The report produced by the workgroup shall include, but not be limited to, all of the following:

(a) Best practices established for juvenile justice diversion programs.

(b) Outcomes for juveniles from juvenile justice diversion programs.

(c) Types of diversion programs currently being used in this state.

(d) Recommendations to promote consistency in juvenile justice screening programs across this state.

(e) Recommendations for training standards for juvenile justice screening programs to be developed by the department.

Sec. 715. (1) As a condition of receiving funds appropriated in part 1 for raise the age fund, by deadlines established and advised by the department, counties or tribal entities shall have an approved raise the age fund budget plan for the current fiscal year. Counties must submit the raise the age fund budget plan for the current fiscal year to the department by February 1 of the current fiscal year. The raise the age fund budget plan shall specifically identify the types of costs to be reimbursed, estimated costs for each item, and the total estimated cost to be reimbursed. The types of costs to be reimbursed must comply with the requirements of section 117i of the social welfare act, 1939 PA

280, MCL 400.117i. $500,000.00 of the raise the age fund shall be reserved for tribal entities. A county shall not receive more funding from the raise the age fund than that county would receive under a grant system based on the respective population of the county.

(2) County and tribal entity reimbursement from the raise the age fund is limited to eligible youth and items specifically identified in approved raise the age fund budget plans and shall not exceed the total estimated cost included in the approved raise the age fund budget plan.

(3) Counties and tribal entities must submit amendments to current fiscal year county raise the age fund budget plans by deadlines as established and advised by the department. Counties must submit current fiscal year payable estimates for raise the age funds to the department by deadlines established and advised by the department.

(4) As used in this section, "eligible youth" includes both of the following:

(a) Pre-adjudication eligible youth: A youth for whom a petition has been filed alleging commission of a status or criminal offense on or after his or her reaching the age of 17, but before reaching the age of 18.

(b) Post-adjudication eligible youth: A youth who has been adjudicated for a status or criminal offense for which a petition was filed alleging commission of a status or criminal offense on or after his or her reaching the age of 17, but before reaching the age of 18.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 801. (1) The department shall report monthly to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the most recent food assistance program error rate derived from the active cases, reported to the United States Department of Agriculture – Food and Nutrition Services for the supplemental nutrition assistance program.

(2) By March 1 of the current fiscal year, the department shall report on the progress of the corrective action taken utilizing the funds appropriated for food assistance reinvestment in lowering the food assistance program error rate and improving program payment accuracy.

Sec. 802. From the funds appropriated in part 1 for field staff travel, the department shall allocate up to $100,000.00 toward reimbursing local county board members and county department directors for out-of-pocket travel costs to attend 1 meeting per year of the Michigan County Social Services Association.

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

Sec. 808. By March 1 of the current fiscal year, the department shall provide a report 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 on the nutrition education program. The report shall include requirements made by the agriculture improvement act of 2018, Public Law 115-334, such as how the department shall use an electronic reporting system to evaluate projects and an accounting of allowable state agency administrative costs. The report shall also include documentation of the steps the department shall take to ensure that projects and subgrantee programs are evidence-based, appropriated for, and meet the criteria for an eligible individual as that term is defined in section 2036a(a) of the food and nutrition act, 7 USC 2036, and quantitative evidence that the programs contribute to a reduction in obesity or an increase in the consumption of healthy foods. Additionally, the report shall include planned allocation and actual expenditures for the supplemental nutrition assistance program education funding, planned and actual grant amounts for the supplemental nutrition assistance program education funding, the total amount of expected carryforward balance at the end of the current fiscal year for the supplemental nutrition assistance program education funding and for each subgrantee program, a list of all supplemental nutrition assistance program education funding programs by implementing agency, and the stated purpose of each of the programs and each of the subgrantee programs.

Sec. 809. (1) The purpose of the pathways to potential program is to reduce chronic absenteeism and decrease the number of students who repeat grades for schools that are current or future

participants in the pathways to potential program. Before any deployment of resources into a participant school, the department and the participant school shall establish performance objectives for each participant school based on a 2-year baseline prior to pathways to potential being established in the participant school and shall evaluate the progress made in the above categories from the established baseline. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report listing all participant schools, the number of staff assigned to each school by participant school, and the percentage of participating schools that achieved improved performance in each of the 2 outcomes listed above compared to the previous year, by each individual outcome. It is the intent of the legislature that after a 2-year period without attaining an increase in success in meeting the 2 listed outcomes from the established baseline, the department shall work with the participant school to examine the cause of the lack of progress and shall seek to implement a plan to increase success in meeting the identified outcomes. It is the intent of the legislature that progress or the lack of progress made in meeting the performance objectives shall be used as a determinant in future pathways to potential resource allocation decisions.

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

Sec. 825. (1) From the funds appropriated in part 1, the department shall provide individuals not more than $500.00 for

vehicle repairs, including any repairs done in the previous 12 months. However, the department may in its discretion pay for repairs up to $900.00. Payments under this section shall include the combined total of payments made by the department and work participation program.

(2) By November 30 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing the total number of payments for repairs, the number of payments for repairs that exceeded $500.00, the number of payments for repairs that cost exactly $500.00, and the number of payments for repairs that cost exactly $900.00 in the previous fiscal year.

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

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

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

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

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

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

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

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

Sec. 851. (1) From the funds appropriated in part 1 for adult services field staff, the department shall seek to reduce the number of older adults who are victims of crime and fraud by increasing the standard of promptness in every county, as measured by commencing an investigation within 24 hours after a report is made to the department, establishing face-to-face contact with the client within 72 hours after a report is made to the department, and completing the investigation within 30 days after a report is made to the department.

(2) The department shall report no later than March 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the services provided to older adults who were victims of crime or fraud in the previous fiscal year. The report shall include, but is not limited to, the following by county: the percentage of investigations commenced within 24 hours after a report is made to the department, the number of face-to-face contacts established with the client within 72 hours after a report is made to the department, the number of investigations completed within 30 days after a report is made to the department, and the total number of older adults that were victims of crime or fraud in the previous fiscal year and were provided services by the department as a result of being victims of crime or fraud.

DISABILITY DETERMINATION SERVICES

Sec. 890. From the funds appropriated in part 1 for disability determination services, the department shall maintain the unit rates in effect on September 30, 2019 for medical consultants performing disability determination services, including physicians, psychologists, and speech-language pathologists.

BEHAVIORAL HEALTH SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 901. The funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal

Medicaid waivers, and all other applicable federal and state laws.

Sec. 902. (1) From the funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

(a) The department enters into any new contracts with CMHSPs or PIHPs that would affect rates or expenditures.

(b) The department amends any contracts the department has entered into with CMHSPs or PIHPs that would affect rates or expenditures.

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

Sec. 904. (1) By May 31 of the current fiscal year, the department shall provide a report on the CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention

and treatment to the members of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report in subsection (1) shall contain information for each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment, and a statewide summary, each of which shall include at least the following information:

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

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

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

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

(e) Information about access to CMHSPs and designated regional

entities for substance use disorder prevention and treatment that includes, but is not limited to, the following:

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

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

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

(g) Lapses and carryforwards during the previous fiscal year for CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.

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

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

(3) The report in subsection (1) shall contain the following information from the previous fiscal year on substance use disorder prevention, education, and treatment programs:

(a) The expenditures stratified by department-designated community mental health entity, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type.

(b) The expenditures per state client, with data on the

distribution of expenditures reported using a histogram approach.

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

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

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

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

Sec. 906. (1) From the funds appropriated in part 1 for behavioral health program administration, the department shall appropriate $1,025,000.00 to support the autism navigator program. The department shall require any contractor receiving funds under this section to comply with performance-related metrics to maintain eligibility for funding. The performance-related metrics shall include, but not be limited to, all of the following:

(a) Each contractor shall have accreditations that attest to their competency and effectiveness in providing services.

(b) Each contractor shall demonstrate cost-effectiveness.

(c) Each contractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.

(d) Each contractor shall provide quarterly reports to the department regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(2) The department shall require an annual report from any contractor receiving funding under this section. The annual report, due to the department 60 days following the end of the contract period, shall include specific information on services and programs provided, the client base to which the services and programs were provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

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

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

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

Sec. 908. As a condition of their contracts with the department, PIHPs and CMHSPs, in consultation with the Community Mental Health Association of Michigan, shall work with the department to implement section 206b of the mental health code, 1974 PA 258, MCL 330.1206b, to establish a uniform community mental

health services credentialing program.

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

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

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

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

Sec. 912. The department shall contract directly with the

Salvation Army Harbor Light program to provide non-Medicaid substance use disorder services if the local coordinating agency or the department confirms the Salvation Army Harbor Light program meets the standard of care. The standard of care shall include, but is not limited to, utilization of the medication assisted treatment option.

Sec. 913. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment and opioid response activities, the department shall provide grants, pursuant to federal laws, rules, and regulations, to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based substance use disorder services.

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

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

similar supports and services as part of the Medicaid rate.

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

Sec. 924. From the funds appropriated in part 1 for autism services, for the purposes of actuarially sound rate certification and approval for Medicaid behavioral health managed care programs, the department shall maintain a fee schedule for autism services reimbursement rates for direct services. Expenditures used for rate setting shall not exceed those identified in the fee schedule. The rates for behavioral technicians shall not be less than $50.00 per hour and not more than $55.00 per hour.

Sec. 926. (1) From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, $500,000.00 is allocated for a specialized substance use disorder detoxification pilot project administered by a 9-1-1 service district in conjunction with a substance use and case management provider and at a hospital in a city with a population between 95,000 and 97,000 according to the most recent federal decennial census within a county with a population of at least 1,500,000 according to the most recent federal decennial census. The hospital must have a wing with at least 10 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 department shall not release funds until reporting requirements under section 926 of article 6 of 2020 PA 166 are satisfied.

(2) The substance use and case management provider receiving funds under this section 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 house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

Sec. 927. (1) The department shall, in consultation with the Community Mental Health Association of Michigan, establish, maintain, and review as necessary, a uniform community mental health services auditing process for use by CMHSPs and PIHPs.

(2) The uniform auditing process required under this section must do all of the following:

(a) Create uniformity in the collection of data and consistent measurement of the quality, efficacy, and cost effectiveness of provided services and supports.

(b) Establish a uniform audit tool that contains information necessary for the uniform community mental health services auditing process and adheres to national standards.

(c) Strive to meet the needs of community mental health service beneficiaries and meet all statewide audit requirements.

(d) Maintain audit responsibility at the local agency level.

(3) By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the implementation status of the uniform auditing process and any barriers to implementation.

(4) A state department or agency that provides, either directly or through a contract, community mental health services and supports must comply with the uniform auditing process and

utilize the audit tool maintained by the department. All forms, processes, and contracts used by the state that relate to the provision of community mental health services and supports must comply with the uniform auditing process.

(5) As used in this section, "national standards" means standards established by a national accrediting entity such as the Joint Commission, Commission on Accreditation of Rehabilitation Facilities, Council on Accreditation, National Committee for Quality Assurance, or other credible body as approved by the department.

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

(2) It is the intent of the legislature that any funds that lapse from the funds appropriated in part 1 for Medicaid mental health services shall be redistributed to individual CMHSPs as a reimbursement of local funds on a proportional basis to those CMHSPs whose local funds were used as state Medicaid match. By April 1 of the current fiscal year, the department shall report 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 on the lapse by PIHP from the previous fiscal year and the projected lapse by PIHP in the current fiscal year.

(3) It is the intent of the legislature that the amount of

local funds used in subsection (1) be phased out and offset with state general fund/general purpose revenue in equal amounts over a 5-year period.

(4) Until the local funds are phased out as described in subsection (3), each PIHP shall not be required to provide local funds, used as part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs, at an amount greater than what each PIHP received from local units of government, either directly or indirectly, during the fiscal year ending September 30, 2018 for this purpose.

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

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

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

(b) Withdraw unspent funds that have been allocated to a CMHSP if other reallocated funds were expended in a manner not provided for in the approved contract, including expending funds on services

and programs provided to individuals residing outside of the CMHSP's geographic region.

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

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

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

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

Sec. 959. (1) The department shall continue to convene a workgroup in collaboration with the chairs of the house and senate appropriations subcommittees on the department budget or their designees, CMHSP members, autism services provider clinical and

administrative staff, community members, Medicaid autism services clients, and family members of Medicaid autism services clients to make recommendations to ensure appropriate cost and service provision, including, but not limited to, the following:

(a) Evaluation and reduction of the variability in diagnostic rates across different regions of the state.

(b) Evaluation of the factors resulting in the voluntary disenrollment from, or declination of, therapeutic services by eligible families.

(2) By April 15 of the current fiscal year, the department shall provide an update on the workgroup's recommendations and findings to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

Sec. 960. (1) From the funds appropriated in part 1 for autism services, the department shall continue to cover all Medicaid autism services to Medicaid enrollees eligible for the services that were covered on January 1, 2019.

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

(a) By March 1 of the current fiscal year, develop and implement specific written guidance for standardization of Medicaid PIHPs and CMHSPs autism spectrum disorder administrative services, including, but not limited to, reporting requirements, coding, and reciprocity of credentialing and training between PIHPs and CMHSPs to reduce administrative duplication at the PIHP, CMHSP, and service provider levels.

(b) Require consultation with the client's evaluation diagnostician and PIHP to approve the client's ongoing therapy for

3 years, unless the client's evaluation diagnostician recommended an evaluation before the 3 years or if a clinician on the treatment team recommended an evaluation for the client before the third year.

(c) Limit the authority to perform a diagnostic evaluation for Medicaid autism services to qualified licensed practitioners. Qualified licensed practitioners are limited to the following:

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

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

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

(*iv*) A psychologist with a specialty in clinical child psychology, behavioral and cognitive psychology, or clinical neuropsychology, or other appropriate specialty with training, experience, or expertise in autism spectrum disorders or behavioral health.

(*v*) A clinical social worker with at least 1 year of experience working within his or her scope of practice who is qualified and experienced in diagnosing autism spectrum disorders.

(*vi*) An advanced practice registered nurse with training, experience, or expertise in autism spectrum disorders or behavioral health.

(*vii*) A physician's assistant with training, experience, or expertise in autism spectrum disorders or behavioral health.

(d) Require that a client whose initial diagnosis was performed by a diagnostician with master's level credentials have

their diagnosis and treatment recommendations reviewed by a physician, psychiatric nurse practitioner, or fully credentialed psychologist.

(e) Allow and expand the utilization of telemedicine and telepsychiatry to increase access to diagnostic evaluation services.

(f) Prohibit CMHSPs from allowing specific providers to provide both diagnosis and treatment services to individual clients.

(g) Coordinate with the department of insurance and financial services on oversight for compliance with the Paul Wellstone and Pete Domenici mental health parity and addiction equity act of 2008, Public Law 110-343, as it relates to autism spectrum disorder services, to ensure appropriate cost sharing between public and private payers.

(h) Require that Medicaid eligibility be confirmed through prior evaluations conducted by physicians, psychiatric nurse practitioners, or fully credentialed psychologists to the extent possible.

(i) Maintain regular statewide provider trainings on autism spectrum disorder standard clinical best practice guidelines for treatment and diagnostic services.

(3) By March 1 of the current fiscal year, the department shall report 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 on total autism services spending broken down by PIHP, and CMHSP for the previous fiscal year and current fiscal year; and total administrative costs broken down by PIHP, CMHSP, and the type of

administrative cost for the previous fiscal year and current fiscal year.

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

Sec. 964. By July 1 of the current fiscal year, the department shall provide the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office with the standardized fee schedule for Medicaid behavioral health services and supports. The report shall also include the adequacy standards to be used in all contracts with PIHPs and CMHSPs. In the development of the standardized fee schedule for Medicaid behavioral health services and supports during the current fiscal year, the department must prioritize and support essential service providers and must develop a standardized fee schedule for revenue code 0204.

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

Sec. 970. The department shall maintain the policies in effect on October 1, 2018 for the federal home and community-based services rule as it relates to skill building assistance services. The skill building assistance services shall remain eligible for federal match until March 17, 2022 as stated in the CMS informational bulletin dated May 9, 2017. From the funds appropriated in part 1, the department shall continue to seek

federal matching funds for skill building assistance services. As a condition of their contracts with the department, CMHSPs shall retain any federally approved skill building assistance services available as of October 1, 2018.

Sec. 972. From the funds appropriated in behavioral health program administration, the department shall utilize up to $1,500,000.00 general fund/general purpose revenues, and any additional federal revenues, to develop, implement, and maintain the Michigan crisis and access line (MiCAL) pursuant to section 165 of the mental health code, 1974 PA 258, MCL 330.1165, and the psychiatric bed registry pursuant to section 151 of the mental health code, 1974 PA 258, MCL 330.1151. In accordance with section 165 of the mental health code, 1974 PA 258, MCL 330.1165, the psychiatric bed registry must be integrated with and be part of the MiCAL system, including any related procurement. In accordance with both section 165 of the mental health code, 1974 PA 258, MCL 330.1165, and section 151 of the mental health code, 1974 PA 258, MCL 330.1151, for MiCAL and the psychiatric bed registry, respectively, any procurement or purchasing related contracts must be managed by the department in conjunction with the department of technology, management, and budget and state information technology procurement laws, regulations, and policies. No other state department or agency outside of the department, in conjunction with the department of technology, management, and budget, may develop a psychiatric bed registry for the purposes of compliance with section 151 of the mental health code, 1974 PA 258, MCL 330.1151, and section 165 of the mental health code, 1974 PA 258, MCL 330.1165.

Sec. 974. The department and PIHPs shall allow an individual

with an intellectual or developmental disability who receives supports and services from a CMHSP to instead receive supports and services from another provider if the individual shows that he or she is eligible and qualified to receive supports and services from another provider. Other providers may include, but are not limited to, MIChoice and program of all-inclusive care for the elderly (PACE).

Sec. 977. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, $600,000.00 of federal state response to the opioid crisis grant revenue is allocated as grants to high schools specifically designated for students recovering from a substance use disorder to support the costs of counselors, therapeutic staff, and recovery coaching staff, with a priority placed on the cost of substance use disorder counselors. Each grant shall not exceed $150,000.00 per high school.

Sec. 978. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, the department shall allocate $600,000.00 of federal state response to the opioid crisis grant revenue to create a competitive grant for recovery community organizations to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders. An organization may not receive a grant in excess of $150,000.00. In awarding grants, priority shall be placed on recovery community organizations that do the following:

(a) Provide recovery support navigation that includes the following:

(*i*) Multiple recovery pathways.

(*ii*) Assisting individuals navigate recovery resources such as detoxification, treatment, recovery housing, support groups, peer support, and family support.

(*iii*) The promotion of community wellness and engagement.

(*iv*) Recovery advocacy that provides hope and encourages recovery.

(*v*) A peer-led, peer-driven organization that offers recovery to any individual seeking recovery from addiction.

(b) Provide recovery outreach education that includes the following:

(*i*) On-site recovery education in the workplace.

(*ii*) All staff employee meetings.

(*iii*) On-site support for employees and family members.

(*iv*) Connections for employees and family members of employees suffering from addiction to local recovery resources such as treatment, recovery housing, and support groups.

(*v*) Connections with employers to provide recovery advocacy.

(c) Provide recovery activities and events that include the following:

(*i*) Safe, ongoing recovery activities and events.

(*ii*) Opportunities to volunteer and participate in activities and events.

(*iii*) Opportunities for family members and supporters of recovery to be involved.

(*iv*) Meetings and activities on nutrition, health, and wellness.

(*v*) Meetings and activities on mindfulness, meditation, and yoga.

Sec. 979. If funds become available, the department shall seek the appropriate federal approvals to allow for the utilization of Medicaid funding for services provided at adult psychiatric residential treatment facilities. By March 1 of the current fiscal year, the department shall report on its progress toward receiving the appropriate federal approvals to allow for federal Medicaid reimbursements for services provided at adult psychiatric residential treatment facilities to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

Sec. 995. (1) From the funds appropriated in part 1 for mental health diversion council, the department shall continue to implement the jail diversion pilot programs intended to address the recommendations of the mental health diversion council.

(2) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the planned allocation of the funds appropriated for mental health diversion council.

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

Sec. 997. The population data used in determining the distribution of substance use disorder block grant funds shall be from the most recent federal data from the United States Census Bureau.

Sec. 998. For distribution of state general funds to CMHSPs,

if the department decides to use census data, the department shall use the most recent federal data from the United States Census Bureau.

Sec. 999. Within 30 days after the completion of a statewide PIHP reimbursement audit, the department shall provide the audit report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

BEHAVIORAL HEALTH SERVICES

Sec. 1001. By December 31 of the current fiscal year, each CMHSP shall submit a report to the department that identifies populations being served by the CMHSP broken down by program eligibility category. The report shall also include the percentage of the operational budget that is related to program eligibility enrollment. By February 15 of the current fiscal year, the department shall submit the report described in this section 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.

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

Sec. 1004. The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office any rebased formula changes to either Medicaid behavioral health services or non-Medicaid mental health services 90 days before implementation. The notification shall include a table showing the changes in

funding allocation by PIHP for Medicaid behavioral health services or by CMHSP for non-Medicaid mental health services.

Sec. 1005. From the funds appropriated in part 1 for health homes, the department shall maintain and expand the number of behavioral health homes in PIHP regions 1, 2, and 8 and expand the number of opioid health homes in PIHP regions 1, 2, 4, and 9.

Sec. 1007. The department may explore the feasibility of creating a distinct standalone Medicaid delivery system for individuals with an intellectual or developmental disability diagnosis. By March 1 of the current fiscal year, the department may provide a report that provides information on potential delivery system structures, prospective number of eligible individuals, possible federal Medicaid authorities, and the estimated impact on current Medicaid delivery systems that administer benefits for individuals with intellectual or developmental disabilities to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

Sec. 1008. PIHPs and CMHSPs shall do all of the following:

(a) Work to reduce administration costs by ensuring that PIHP and CMHSP responsible functions are efficient in allowing optimal transition of dollars to those direct services considered most effective in assisting individuals served. Any consolidation of administrative functions must demonstrate, by independent analysis, a reduction in dollars spent on administration resulting in greater dollars spent on direct services. Savings resulting from increased efficiencies shall not be applied to PIHP and CMHSP net assets, internal service fund increases, building costs, increases in the

number of PIHP and CMHSP personnel, or other areas not directly related to the delivery of improved services.

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

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

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

Sec. 1010. The funds appropriated in part 1 for behavioral health community supports and services must be used to expand assertive community treatment (ACT), forensic assertive community treatment (FACT), and supportive housing and residential programs for the purpose of reducing waiting lists at state-operated hospitals and centers through cost-effective community-based services.

Sec. 1011. To the extent permissible under section 919 of the mental health code, 1974 PA 258, MCL 330.1919, the funds appropriated in part 1 for behavioral health services may be used to reimburse out-of-state providers of crisis resolution services and outpatient services if the out-of-state provider is enrolled as a state Medicaid provider and the out-of-state provider is located closer to the client's home than an in-state provider.

Sec. 1012. It is the intent of the legislature that the department pursue any and all federal Medicaid waivers to maximize the use of federal Medicaid reimbursements for substance use disorder services and treatments for justice-involved individuals.

As part of the executive budget presentation for the fiscal year ending September 30, 2022 on behavioral health services to the house and senate appropriations subcommittees on the department budget, the department shall provide an update on the types of substance use disorder waivers submitted by the department, whether those waivers have been approved by the federal Centers for Medicare and Medicaid Services, and the steps the department will take to request any and all federal Medicaid waivers to maximize the use of federal Medicaid reimbursements for substance use disorder services and treatments.

Sec. 1013. CMHSPs that operate preadmission screening units, or that have designated a hospital as a preadmission screening unit, may permit a sheriff's office to use a qualified contracted entity to transport an individual for preadmission screening.

Sec. 1014. (1) From the funds appropriated in part 1 to agencies providing physical and behavioral health services to multicultural populations, the department shall award grants in accordance with the requirements of subsection (2). This state is not liable for any spending above the contract amount. The department shall not release funds until reporting requirements under section 295 of article 6 of 2020 PA 166 are satisfied.

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

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

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

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

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

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

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

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

Sec. 1015. From the funds appropriated in part 1 for federal mental health block grant, the department shall provide grants, pursuant to federal laws, rules, and regulations, to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based mental health services.

Sec. 1016. From the funds appropriated in part 1 for crisis stabilization units, the department shall appropriate $100.00 to establish a grant program for qualified entities, as determined by the department, to establish crisis stabilization units pursuant to chapter 9a of the mental health code, 1974 PA 258, MCL 330.1971 to MCL 330.1979.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

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

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

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

(2) All closures or consolidations are dependent upon adequate

department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in the facility. A discharge and aftercare plan shall address the individual's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the individual's housing needs.

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

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

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

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital

identified by the department as capable of generating savings through the outsourcing of such services.

Sec. 1059. (1) The department shall identify specific outcomes and performance measures for state-operated hospitals and centers, including, but not limited to, the following:

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

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

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

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

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

(f) The number of individuals denied services at the center for forensic psychiatry.

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

(2) By March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the

outcomes and performance measures in subsection (1).

Sec. 1060. By March 1 of the current fiscal year, the department shall provide a report on mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals and centers to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office. The report shall include, but is not limited to, the following:

(a) The number of direct care and clinical staff positions that are currently vacant by hospital, and how that compares to the number of vacancies during the previous fiscal year.

(b) A breakdown of voluntary and mandatory overtime hours worked by position and by hospital, and how that compares to the breakdown of voluntary and mandatory overtime hours during the previous fiscal year.

(c) The ranges of wages paid by position and by hospital, and how that compares to wages paid during the previous fiscal year.

Sec. 1061. The funds appropriated in part 1 for Caro Regional Mental Health Center shall only be utilized to support a psychiatric hospital located at its current location. It is the intent of the legislature that the Caro Regional Mental Health Center shall remain open and operational at its current location on an ongoing basis. Capital outlay funding shall be utilized for planning and construction of a new or updated facility at the current location instead of at a new location.

Sec. 1062. It is the intent of the legislature that the department shall provide a 5-year plan to address the need for adult and children's inpatient psychiatric beds to the house and senate appropriations subcommittees on the department budget, the

house and senate fiscal agencies, the house and senate policy offices, and the state budget office. The report shall include recommendations for utilizing both public and public private partnership beds.

Sec. 1063. (1) From the funds appropriated in part 1 for Hawthorn center - psychiatric hospital - children and adolescents, the department shall maintain a psychiatric transitional unit and children's transition support team. These services shall augment the continuum of behavioral health services for high-need youth and provide additional continuity of care and transition into supportive community-based services.

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

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

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

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Sec. 1140. From the funds appropriated in part 1 for primary care services, $400,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 1142. The department shall continue to seek means to increase retention of Michigan medical school students for completion of their primary care residency requirements within this

state and ultimately, for some period of time, to remain in this state and serve as primary care physicians. The department is encouraged to work with Michigan institutions of higher education.

Sec. 1143. From the funds appropriated in part 1 for primary care services, the department shall allocate no less than $675,000.00 for island primary health care access and services including island clinics, in the following amounts:

(a) Beaver Island, $250,000.00.

(b) Mackinac Island, $250,000.00.

(c) Drummond Island, $150,000.00.

(d) Bois Blanc Island, $25,000.00.

Sec. 1144. From the funds appropriated in part 1, the department shall report by June 30 of the current fiscal year trended cost and utilization, including inpatient and emergency department, claims data reports in aggregate by local community health innovation regions (CHIRs) and specific to each Medicaid health plan for their beneficiaries that were clients of local CHIRs, for the period beginning with the fiscal year that ended September 30, 2015 through the current fiscal year 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.

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

Sec. 1146. From the funds appropriated in part 1 for bone

marrow donor and blood bank programs, $250,000.00 shall be allocated to Versiti Blood Center, the partner of the match registry of the national marrow donor program. The funds shall be used to offset ongoing tissue typing expenses associated with donor recruitment and collection services and to expand those services to better serve the citizens of this state.

Sec. 1147. From the funds appropriated in part 1 for bone marrow donor and blood bank programs, $500,000.00 shall be allocated to Versiti Blood Center for a cord blood bank. The funds shall be used to enhance the collection of fetal umbilical cord blood and stem cells for transplant, expand cord blood laboratory capabilities, and expand the diversity of collections.

Sec. 1151. (1) The department shall coordinate with the department of licensing and regulatory affairs, the department of the attorney general, all appropriate law enforcement agencies, and the Medicaid health plans to work with local substance use disorder agencies and addiction treatment providers to help inform Medicaid beneficiaries of all medically appropriate treatment options for opioid addiction when their treating physician stops prescribing prescription opioid medication for pain, and to address other appropriate recommendations of the prescription drug and opioid abuse task force outlined in its report of October 2015.

(2) By October 1 of the current fiscal year, the department shall submit a report 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 on how the department is working with local substance use disorder agencies and addiction treatment providers to ensure that Medicaid beneficiaries are informed of all available and medically

appropriate treatment options for opioid addiction when their treating physician stops prescribing prescription opioid medication for pain, and to address other appropriate recommendations of the task force. The report shall include any potential barriers to medication-assisted treatment, as recommended by the Michigan medication-assisted treatment guidelines, for Medicaid beneficiaries in both office-based opioid treatment and opioid treatment program facility settings.

EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

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

Sec. 1181. From the funds appropriated in part 1 for epidemiology administration, the department shall maintain a vapor intrusion response unit. The vapor intrusion response unit shall assess risks to public health at vapor intrusion sites and respond to vapor intrusion risks where appropriate. The goals of the vapor

intrusion response unit shall include reducing the number of residents of this state exposed to toxic substances through vapor intrusion and improving health outcomes for individuals that are identified as having been exposed to vapor intrusion.

Sec. 1182. (1) From the funds appropriated in part 1 for the healthy homes program, no less than $7,392,900.00 of general fund/general purpose funds and $18,157,100.00 of federal funds shall be allocated for lead abatement of homes.

(2) By April 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the expenditures and activities undertaken by the lead abatement program in the previous fiscal year from the funds appropriated in part 1 for the healthy homes program. The report shall include, but is not limited to, a funding allocation schedule, the expenditures by category of expenditure and by subcontractor, revenues received, a description of program elements, the number of housing units abated of lead-based paint hazards, and a description of program accomplishments and progress.

Sec. 1183. The department shall not require a medical first response service to submit data for purposes of the Michigan emergency medical services information system if the medical first response service is located in a county with a population of less than 85,000 according to the most recent federal decennial census and is composed of only medical first responders who provide services without expecting or receiving money, goods, or services in return for providing those services. A medical first response service described in this subsection shall ensure that a medical

first responder provides, in writing, at least all of the following information to an emergency medical technician, emergency medical technician specialist, or paramedic, arriving at the scene after the medical first responder:

(a) The time of the initial medical first responder's arrival at the scene.

(b) The patient's condition at the time of the initial medical first responder's arrival at the scene.

(c) Information gathered from a patient assessment, including, but not limited to, the patient's vital signs and level of consciousness.

Sec. 1184. (1) From the funds appropriated in part 1 for emergency medical services program, the department shall, in coordination with the state emergency medical services coordination committee established under section 20915 of the public health code, 1978 PA 368, MCL 333.20915, medical control authorities, and other emergency medical services organizations, review, revise, and improve the process for the consideration, discussion, announcement, and implementation of any changes proposed by the department for emergency medical services system guidance, guidelines, or protocols.

(2) The goal to improve the current process shall be the effective and safe provision of emergency medical services.

(3) The revised and improved process shall include, but not be limited to, the following:

(a) Increased communication, transparency, and collaboration, to culminate in clarity of, and real-time access to, current department guidance, guidelines, or protocols, and the status of any changes being considered.

(b) Formal notification of proposed changes to guidance, guidelines, or protocols from the department to the state emergency medical services coordination committee no less than 30 days before implementation.

(c) Receipt by the department of a recommendation from the state emergency medical services coordination committee regarding the proposed changes to guidance, guidelines or protocols before implementation by the department of the changes.

(4) The department shall provide access and status updates, including any proposed rules being considered through the administrative rules process, to the public on the department's website, which shall be updated by the department on a weekly basis.

(5) The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director by April 15 of the current fiscal year on the findings of the review and include summaries of actions undertaken to identify, revise, and improve any weaknesses in the current process.

Sec. 1186. (1) From the funds appropriated in part 1 for emergency medical services program, the department shall allocate $3,000,000.00 to establish a statewide stroke and STEMI system of care for time-sensitive emergencies. This system must be integrated into the statewide trauma care system within the emergency medical services system and must include at least all of the following:

(a) The designation of facilities as stroke and STEMI facilities based on a verification that national certification or accreditation standards, as approved by the stroke advisory subcommittee and the STEMI advisory subcommittee as established

under section 20910(1)(m) of the public health code, 1978 PA 368, MCL 333.20910, have been met.

(b) A requirement that a hospital is not required to be designated as providing certain levels of care for stroke or STEMI.

(c) The development and utilization of stroke and STEMI registries that utilize nationally recognized data platforms with confidentiality standards, as approved by the stroke advisory subcommittee and the STEMI advisory subcommittee as established under section 20910(1)(m) of the public health code, 1978 PA 368, MCL 333.20910.

(2) For the purposes of this section, "STEMI" means an ST-elevation myocardial infarction.

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

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

Sec. 1221. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in that arrangement after October 1 of the current fiscal year, the department may assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. This penalty shall only be assessed to the local

county that requests the dissolution of the health department.

Sec. 1222. (1) Funds appropriated in part 1 for essential local public health services shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the department of agriculture and rural development. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the department of environment, Great Lakes, and energy.

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

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

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

(5) The department shall continue implementation of the distribution formula for the allocation of essential local public health services funding to local health departments as specified by section 1234 of article X of 2018 PA 207.

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

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

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

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

Sec. 1231. (1) From the funds appropriated for local health services, up to $4,750,000.00 shall be allocated for grants to local public health departments to support PFAS response and emerging public health threat activities. A portion of the funding shall be allocated by the department in a collaborative fashion with local public health departments in jurisdictions experiencing PFAS contamination. The remainder of the funding shall be allocated to address infectious and vector-borne disease threats, and other environmental contamination issues such as vapor intrusion, drinking water contamination, and lead exposure. The funding shall be allocated to address issues including, but not limited to, staffing, planning and response, and creation and dissemination of materials related to PFAS contamination issues and other emerging

public health issues and threats.

(2) By May 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on actual expenditures in the previous fiscal year and planned spending in the current fiscal year of the funds described in subsection (1), including recipient entities, amount of allocation, general category of allocation, and detailed uses.

Sec. 1232. The department may work to ensure that the United States Department of Defense reimburses the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

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

Sec. 1239. The department shall participate in and give necessary assistance to the Michigan PFAS action response team (MPART) pursuant to Executive Order No. 2019-03. The department shall collaborate with MPART and other departments to carry out appropriate activities, actions, and recommendations as coordinated by MPART. Efforts shall be continuous to ensure that the department's activities are not duplicative with activities of another department or agency.

Sec. 1240. From the funds appropriated in part 1 for chronic disease control and health promotion administration, $70,000.00 is allocated to support a rare disease review committee and responsibilities of the committee, which may include all of the

following:

(a) Developing a list of rare diseases.

(b) Posting the list of rare diseases on the department's website.

(c) Updating the list of rare diseases every 2 years.

(d) Annually investigating and reporting to the legislature on 1 rare disease on the list, and including legislative recommendations in the report.

FAMILY HEALTH SERVICES

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

(a) Funding allocations.

(b) Actual number of women, children, and adolescents served and amounts expended for each group for the previous fiscal year.

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

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

(3) As used in this section, "rural community" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan

statistical area.

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

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

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

Sec. 1305. (1) From the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program, the department shall not contract with or award grants to an entity that engages in 1 or more of the activities described in

section 1(2) of 2002 PA 360, MCL 333.1091, if the entity is located in a county or health district where family planning or pregnancy prevention services are provided by the county, the health district, or a qualified entity that does not engage in any of the activities described in section 1(2) of 2002 PA 360, MCL 333.1091.

(2) The department shall give priority to counties or health districts where no contracts or grants currently exist for family planning or pregnancy prevention services before contracting with or awarding grants to an entity that engages in 1 or more of the activities described in section 1(2) of 2002 PA 360, MCL 333.1091, if that entity is located in a county where family planning and pregnancy prevention services are provided by the county, the health district, or another qualified entity that does not engage in the activities described in section 1(2) of 2002 PA 360, MCL 333.1091.

Sec. 1306. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate funds to address needs in a city in which a declaration of emergency was issued because of drinking water contamination. These funds may support, but are not limited to, the following activities:

(a) Nutrition assistance, nutritional and community education, food bank resources, and food inspections.

(b) Epidemiological analysis and case management of individuals at risk of elevated blood lead levels.

(c) Support for child and adolescent health centers, children's healthcare access program, and pathways to potential programming.

(d) Nursing services, breastfeeding education, evidence-based

home visiting programs, intensive services, and outreach for children exposed to lead coordinated through local community mental health organizations.

(e) Department field operations costs.

(f) Lead poisoning surveillance, investigations, treatment, and abatement.

(g) Nutritional incentives provided to local residents through the double up food bucks expansion program.

(h) Genesee County health department food inspectors to perform water testing at local food service establishments.

(i) Transportation related to health care delivery.

(j) Senior initiatives.

(k) Lead abatement contractor workforce development.

(2) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate $300,000.00 for Revive Community Health Center for health support services as the center pursues certification as a federally qualified health center.

(3) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate $500,000.00 for rides to wellness through the Flint mass transportation authority.

Sec. 1308. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, not less than $500,000.00 of funding shall be allocated for evidence-based programs to reduce infant mortality including nurse family partnership programs. The funds shall be used for enhanced support and education to nursing teams or other teams of qualified health professionals, client recruitment in areas designated as

underserved for obstetrical and gynecological services and other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

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

Sec. 1310. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 must be in compliance with all title X rules established by the Office of Population Affairs within the United States Department of Health and Human Services. The department shall monitor all title X family planning programs to ensure compliance with all federal title X rules. An agency not in compliance with the rules shall not receive supplemental or reallocated funds.

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

Sec. 1312. From the funds appropriated in part 1 for prenatal care and premature birth avoidance grant, the department shall allocate $1,000,000.00 as a grant to help fulfill contract obligations between the department and a federal Healthy Start Program located in a county with a population between 600,000 and 610,000 according to the most recent decennial census. To be eligible to receive funding, the organization must be a partnership between various health agencies, and utilize a social impact

bonding strategy approved by the department to enhance support to underserved populations for prenatal care and premature birth avoidance.

Sec. 1313. (1) The department shall continue developing an outreach program on fetal alcohol syndrome services, targeting health promotion, prevention, and intervention.

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

(3) By February 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on planned spending of appropriations within the department budget for fetal alcohol syndrome projects and services, including appropriation line item, agency or recipient entities, amount and purpose of allocation, and detailed uses. The report shall include a summary of outcomes accomplished by the funding investments and metrics used to determine outcomes, if available.

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

(a) Supporting access to care.

(b) Reducing and eliminating barriers to care.

(c) Supporting recommendations for best practices.

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

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

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

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

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

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

Sec. 1317. (1) From the funds appropriated in part 1 for dental programs, $1,550,000.00 of general fund/general purpose revenue and any associated federal match shall be distributed to local health departments who partner with a qualified nonprofit provider of dental services for the purpose of providing high-quality dental homes for seniors, children, and adults enrolled in

Medicaid, and low-income uninsured.

(2) In order to be considered a qualified nonprofit provider of dental services, the provider must demonstrate the following:

(a) An effective health insurance enrollment process for uninsured patients.

(b) An effective process of charging patients on a sliding scale based on the patient's ability to pay.

(c) Utilization of additional fund sources including, but not limited to, federal Medicaid matching funds.

(3) Providers shall report to the department by September 30 of the current fiscal year on outcomes and performance measures for the program under this section including, but not limited to, the following:

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

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

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

(d) The number of unique patient visits by center.

(e) The number of unique Medicaid or Healthy Michigan plan patients served broken down by center.

(f) The number of children, seniors, and veterans served broken down by center.

(g) The total value of services rendered by the organization broken down by center.

(4) Within 15 days after receipt of the report required in subsection (3), the department shall provide a copy of the report

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.

Sec. 1318. (1) From the funds appropriated in part 1 for pregnancy resource centers, the department shall allocate $100.00 as grants to pregnancy resource centers operating in this state. The department shall distribute the funds equally to each pregnancy resource center at an amount of not more than $10,000.00 each.

(2) As used in this section, "pregnancy resource centers" means private nonprofit organizations that promote childbirth and alternatives to abortion, provide referrals and information, and may also provide other services related to pregnancy or postpregnancy.

Sec. 1320. It is the intent of the legislature that funds appropriated in part 1 that may be expended for a public media campaign regarding publicly funded family planning or pregnancy prevention services shall not be used to communicate in that media campaign any message that implies, states, or can be interpreted to mean that abortion is a method of family planning or pregnancy prevention.

Sec. 1322. The department shall provide a report by April 15 of the current fiscal year to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on state immunization policy and practices. The report shall include all of the following items:

(a) A list of recommended vaccinations.

(b) The basis and rationale for inclusion of each listed item.

(c) The indicators, measures, and performance outcomes that

document improvement in human health for each listed item.

Sec. 1341. The department shall utilize income eligibility and verification guidelines established by the Food and Nutrition Service agency of the United States Department of Agriculture in determining eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC) as stated in current WIC policy.

Sec. 1342. From the funds appropriated in part 1 for family, maternal, and child health administration, $500,000.00 shall be allocated for a school children's healthy exercise program to promote and advance physical health for school children in kindergarten through grade 8. The department shall recommend model programs for sites to implement that incorporate evidence-based best practices. The department shall grant the funds appropriated in part 1 for before- and after-school programs. The department shall establish guidelines for program sites, which may include schools, community-based organizations, private facilities, recreation centers, or other similar sites. The program format shall encourage local determination of site activities and shall encourage local inclusion of youth in the decision-making regarding site activities. Program goals shall include children experiencing improved physical health and access to physical activity opportunities, the reduction of obesity, providing a safe place to play and exercise, and nutrition education. To be eligible to participate, program sites shall provide a 20% match to the state funding, which may be provided in full, or in part, by a corporation, foundation, or private partner. The department shall seek financial support from corporate, foundation, or other private partners for the program or for individual program sites.

Sec. 1343. From the funds appropriated in part 1 for dental programs, the department shall allocate $1,760,000.00 in general fund/general purpose revenue plus any private contributions received to support the program to establish and maintain a dental oral assessment program to provide assessments to school children as provided in section 9316 of the public health code, 1978 PA 368, MCL 333.9316.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

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

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

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

(d) Provide human growth hormone to eligible patients.

(e) Provide mental health care for mental health needs that result from, or are a symptom of, the individual's qualifying medical condition.

(f) Provide medical care and treatment to eligible patients with sickle cell disease who are 21 years of age or older, effective April 1 of the current fiscal year.

Sec. 1361. From the funds appropriated in part 1 for medical care and treatment, the department may spend those funds for the continued development and expansion of telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in

a more timely manner. The department may spend funds to support chronic complex care management of children enrolled in the children's special health care services program to minimize hospitalizations and reduce costs to the program while improving outcomes and quality of life.

AGING AND ADULT SERVICES AGENCY

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

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

(a) The recipient's degree of frailty.

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

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

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

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

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and state budget director a report by

March 30 of the current fiscal year that contains all of the following:

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

(b) Detailed expenditures by each area agency on aging by individual program and administration including both state-funded resources and locally funded resources.

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

Sec. 1422. (1) From the funds appropriated in part 1 for aging and adult services administration, not less than $300,000.00 shall be allocated for the department to contract with the Prosecuting Attorneys Association of Michigan to provide the support and services necessary to increase the capability of the state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) By March 1 of the current fiscal year, the Prosecuting Attorneys Association of Michigan shall provide a report to the department on the efficacy of the contract. The department shall submit the report to the state budget office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices within 30 days after receipt from the Prosecuting Attorneys Association of Michigan.

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.

Sec. 1426. From the funds appropriated in part 1 for community services, $40,000.00 shall be allocated to expand existing friendly reassurance and friendly caller programs through the area agencies on aging. The purpose of these programs is to allow an older person to voluntarily sign up to receive a daily or weekly call checking on the older person's well-being and possible conversation with an individual. The program shall be available to all residents of this state age 60 or older and shall target isolated or homebound seniors to provide a check on mental health, physical health and wellness, and address feelings of loneliness or depression.

MEDICAL SERVICES ADMINISTRATION

Sec. 1505. By March 1 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the actual reimbursement savings and cost offsets that have resulted from the funds appropriated in part 1 for the office of inspector general and third party liability efforts in the previous fiscal year.

Sec. 1507. From the funds appropriated in part 1 for office of inspector general, the inspector general shall audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to health care providers. Unless authorized by

federal or state law, the department shall not fine, temporarily halt operations of, disenroll as a Medicaid provider, or terminate a managed care organization or health care provider from providing services due to the discovery of an inappropriate payment found during the course of an audit.

Sec. 1508. The department shall not use funds appropriated in part 1 to contract with any private company that has reached a settlement with this state resolving investigations into the company's role providing consulting services to manufacturers of opioids in connection with designing the marketing plans and programs that helped cause and contributed to the opioid crisis in this state.

Sec. 1511. On a monthly basis, the department shall work with the department of labor and economic opportunity to report 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 on the utilization of workforce development programs by Healthy Michigan plan recipients through Michigan Works! The report shall include, but not be limited to, all of the following:

(a) The number of recipients currently receiving employment supports and services through workforce development programs.

(b) The total year-to-date number of recipients who have received employment supports and services through workforce development programs.

(c) The number of recipients who secured employment in this state after receiving employment supports and services through workforce development programs.

(d) A summary of employment supports and services provided to

recipients through workforce development programs.

Sec. 1512. The updated Medicaid utilization and net cost report shall continue to separate nonclinical administrative costs from actual claims and encounters.

Sec. 1513. (1) The department shall participate in a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care. The workgroup shall include representatives from the department, CMHSPs, PIHPs, the Michigan Association of Health Plans, the Michigan Health and Hospital Association, inpatient psychiatric facilities, Blue Cross Blue Shield of Michigan, the Community Mental Health Association of Michigan, and other individuals or organizations as determined appropriate by the department.

(2) By September 30 of the current fiscal year, the workgroup shall report 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 on the implementation of recommendations made by the workgroup required by section 1513 of 2019 PA 67. The report shall include, but is not limited to, the following:

(a) Descriptions of the recommendations being implemented.

(b) Descriptions of the recommendations not being implemented and barriers preventing implementation.

(3) The department shall assist in providing data to inform the workgroup discussion, assist in modeling appropriate reimbursement methods, and assist in developing the final report.

Sec. 1514. From the funds appropriated in part 1 for medical services administration, the department shall allocate $300,000.00 general fund/general purpose revenue and any associated federal

match to support a predictive modeling tool to improve provider billing accuracy and reduce fraud, waste, and abuse in the Medicaid program. The tool must provide a prepayment cost avoidance solution that uses statistical predictive modeling techniques to identify outlier claims.

Sec. 1515. A qualified job placement agency may request contact information from the department for Healthy Michigan plan recipients for the geographic region the agency services. This contact information shall not include personal health information or extensive personal identifying information. For the purposes of this section, a "qualified job placement agency" means a regional Michigan Works! agency or another nonprofit, governmental, or quasi-governmental body that provides job placement assistance as designated by the department.

MEDICAL SERVICES

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

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

Sec. 1606. For the purpose of guardian and conservator charges, the department may deduct up to $83.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

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

(2) All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

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

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

(5) The department shall develop an enrollment process for

pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

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

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

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. This section does not affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

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

Sec. 1615. (1) To minimize errors and overpayments, and to ensure the quality of actuarial rate setting of capitated rates,

the department shall provide effective oversight and ensure the integrity of encounter claims submitted to the department by Medicaid health plans.

(2) The department may require Medicaid health plans to provide medical records to support claims data, upon request by the department. This subsection shall not require the disclosure of personal identifying information or any information that would be in violation of the health insurance portability and accountability act of 1996, Public Law 104-191.

(3) It is the intent of the legislature that the department perform annual internal audits of Medicaid claims provided by Medicaid health plans and report the findings to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office. Internal audits performed under this subsection shall be conducted utilizing quantitative methodologies that provide for valid statistical results to include, but not be limited to, minimizing the impact of selection bias and insufficient sample sizes.

(4) If an internal audit performed in accordance with this section identifies discrepancies in the quality of actuarial rates, the department shall develop and implement actuarial procedures to reconcile encounter claims data and shall provide for a publicly available explanation of these procedures on the department's website.

Sec. 1616. (1) By September 30 of the current fiscal year, the department shall do all of the following:

(a) Seek federal authority, through applicable means, to enroll Community Health Workers (CHWs) as Medicaid providers and

utilize federal Medicaid matching funds for CHW services. The authority should allow the application of CHWs statewide and maximize their utility by providing financing for all services commensurate to their scope of training and abilities as provided by evidence-based research and programs. As used in this subdivision, "financing" means fee-for-service reimbursement and value-based payment, or a combination of both.

(b) Develop and test a value-based payment approach for CHWs, based on shared risk, that provides incentives to Medicaid managed care organizations and other health plans to use CHWs to improve the quality and cost of care, and patient satisfaction, with a subsequent goal of identifying any potential to expand the number of community-based CHWs that provide preventive services education and care coordination within community-based human services organizations, public health agencies, primary care providers, hospitals, health care systems, and other appropriate locations.

(c) Identify the ratio of CHWs to Medicaid managed care organization beneficiaries that is optimal to meet the needs of Medicaid managed care organization beneficiaries in each county in this state.

(d) Identify the ratio of CHWs to individuals that is optimal to meet the needs of high-risk individuals in each county in this state.

(2) By September 30 of the current fiscal year, the department shall report 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 on the progress of meeting the criteria in subsection (1).

Sec. 1620. (1) For fee-for-service Medicaid claims, the

professional dispensing fee for drugs indicated as specialty medications on the Michigan pharmaceutical products list is $20.02 or the pharmacy's submitted dispensing fee, whichever is less.

(2) For fee-for-service Medicaid claims, for drugs not indicated as specialty drugs on the Michigan pharmaceutical products list, the professional dispensing fee for medications is as follows:

(a) For medications indicated as preferred on the department's preferred drug list, $10.80 or the pharmacy's submitted dispensing fee, whichever is less.

(b) For medications not on the department's preferred drug list, $10.64 or the pharmacy's submitted dispensing fee, whichever is less.

(c) For medications indicated as nonpreferred on the department's preferred drug list, $9.00 or the pharmacy's submitted dispensing fee, whichever is less.

(3) The department shall require a prescription co-payment for Medicaid recipients not enrolled in the Healthy Michigan plan or with an income less than 100% of the federal poverty level of $1.00 for a generic drug or any drug indicated as preferred on the department's preferred drug list and $3.00 for a brand-name drug not indicated as preferred on the department's preferred drug list, except as prohibited by federal or state law or regulation.

(4) The department shall require a prescription co-payment for Medicaid recipients enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level of $4.00 for a generic drug or any drug indicated as preferred on the department's preferred drug list and $8.00 for a brand-name drug not indicated as preferred on the department's preferred drug list, except as

prohibited by federal or state law or regulation.

Sec. 1625. The department shall contractually require Medicaid managed care organizations to require their pharmacy benefit managers to do all of the following:

(a) For pharmacies with not more than 7 retail outlets, utilize a pharmacy reimbursement methodology of the lesser of the national average drug acquisition cost or the pharmacy-submitted ingredient cost plus a professional dispensing fee comparable to the applicable professional dispensing fee provided through section 1620, or the usual and customary charge by the pharmacy. The pharmacy benefit manager or the involved pharmacy services administrative organization shall not receive any portion of the additional professional dispensing fee. The department shall identify the pharmacies this subdivision applies to and provide the list of applicable pharmacies to the Medicaid managed care organizations.

(b) For pharmacies with not more than 7 retail outlets, utilize a pharmacy reimbursement methodology, when a national average drug acquisition cost price is not available, for brand drugs of the lesser of the wholesale acquisition cost plus a professional dispensing fee comparable to the applicable professional dispensing fee provided through section 1620, or the usual and customary charge by the pharmacy. The department shall identify the pharmacies this subdivision applies to and provide the list of applicable pharmacies to the Medicaid managed care organizations.

(c) For pharmacies with not more than 7 retail outlets, utilize a pharmacy reimbursement methodology, when a national average drug acquisition cost price is not available, for generic

drugs of the lesser of wholesale acquisition cost plus a professional dispensing fee comparable to the applicable professional dispensing fee provided through section 1620, or the usual and customary charge by the pharmacy. The department shall identify the pharmacies this subdivision applies to and provide the list of applicable pharmacies to the Medicaid managed care organizations.

(d) Reimburse for a legally valid claim at a rate not less than the rate in effect at the time the original claim adjudication as submitted at the point of sale.

(e) Agree to move to a transparent "pass-through" pricing model, in which the pharmacy benefit manager discloses the administrative fee as a percentage of the professional dispensing costs to the department.

(f) Agree to not create new pharmacy administration fees and to not increase current fees more than the rate of inflation. This subdivision does not apply to any federal rule or action that creates a new fee.

(g) Agree to not terminate an existing contract with a pharmacy with not more than 7 retail outlets for the sole reason of the additional professional dispensing fee authorized under this section.

Sec. 1626. (1) By January 15 of the current fiscal year, each pharmacy benefit manager that receives reimbursements, either directly or through a Medicaid health plan, from the funds appropriated in part 1 for medical services must submit all of the following information to the department for the previous fiscal year:

(a) The total number of prescriptions that were dispensed.

(b) The total wholesale acquisition cost for each drug on its formulary.

(c) The total amount of rebates, discounts, and price concessions that the pharmacy benefit manager received for each drug on its formulary. The amount of rebates shall include any utilization discounts the pharmacy benefit manager receives from a manufacturer.

(d) The total amount of administrative fees that the pharmacy benefit manager received from all pharmaceutical manufacturers.

(e) The total amount identified in subdivisions (b) and (c) that were retained by the pharmacy benefit manager and did not pass through to the department or to the Medicaid health plan.

(f) The total amount of reimbursements the pharmacy benefit manager pays to contracting pharmacies.

(g) Any other information considered necessary by the department.

(2) By March 1 of the current fiscal year, the department shall submit the information provided under subsection (1) to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

(3) Any nonaggregated information submitted under this section shall be confidential and shall not be disclosed to any person by the department. Such information is not considered a public record of the department.

Sec. 1627. By April 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices

on both of the following:

(a) The cost per Medicaid prescription for the fee-for-service population and separately the cost per Medicaid prescription for the managed care population for the fiscal years ending September 30, 2017 through September 30, 2021.

(b) Projected cost per Medicaid prescription for the fee-for-service population and projected cost per Medicaid prescription for the managed care population for the current fiscal year.

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

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

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

(a) Two dollars for a physician office visit.

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

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

(d) Two dollars for an outpatient hospital visit.

(3) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients enrolled in the Healthy Michigan plan with an income of at least

100% of the federal poverty level to pay the following co-payments:

(a) Four dollars for a physician office visit.

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

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

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

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

Sec. 1645. (1) It is the intent of the legislature that the department establish the class I nursing facility current asset value bed limit based on the rolling 15-year history of new construction.

(2) It is the intent of the legislature that, for the fiscal year beginning October 1, 2021, the department modify the class I nursing facility current asset value bed limit based on the rolling 15-year history of new construction. The increase in the current asset value bed limit shall not exceed 4% of the limit for the fiscal year beginning October 1, 2019.

Sec. 1646. (1) From the funds appropriated in part 1 for long-term care services, the department shall continue to administer a nursing facility quality measure initiative program. The initiative shall be financed through the quality assurance assessment for nursing homes and hospital long-term care units, and the funds shall be distributed according to the following criteria:

(a) The department shall award more dollars to nursing

facilities that have a higher CMS 5-star quality measure domain rating, then adjusted to account for both positive and negative aspects of a patient satisfaction survey.

(b) A nursing facility with a CMS 5-star quality measure domain star rating of 1 or 2 must file an action plan with the department describing how it intends to use funds appropriated under this section to increase quality outcomes before funding shall be released.

(c) The total incentive dollars must reflect the following Medicaid utilization scale:

(*i*) For nursing facilities with a Medicaid participation rate of above 63%, the facility shall receive 100% of the incentive payment.

(*ii*) For nursing facilities with a Medicaid participation rate between 50% and 63%, the facility shall receive 75% of the incentive payment.

(*iii*) For nursing facilities with a Medicaid participation rate of less than 50%, the facility shall receive a payment proportionate to their Medicaid participation rate.

(*iv*) For nursing facilities not enrolled in Medicaid, the facility shall not receive an incentive payment.

(d) Facilities designated as special focus facilities are not eligible for any payment under this section.

(e) Number of licensed beds.

(2) The department and nursing facility representatives shall evaluate the quality measure incentive program's effectiveness on quality, measured by the change in the CMS 5-star quality measure domain rating since the implementation of quality measure incentive program. By March 1 of the current fiscal year, the department

shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the findings of the evaluation.

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

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

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

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

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

(3) The department shall provide a copy of the analysis of the

Medicaid HMO annual audited HEDIS reports and the annual external quality review report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months after applying for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this part and part 1.

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

(3) The department may make payments on behalf of children enrolled in the MIChild program as described in the MIChild state plan approved by the United States Department of Health and Human Services, or from other medical services.

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

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

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

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

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

(d) Dental services as outlined in the approved MIChild state plan.

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

(f) Care management services for mental health diagnoses.

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

(h) Emergency ambulance services.

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

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

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

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

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

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

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

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

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, $1,121,400.00 of general fund/general

purpose revenue and any associated federal match shall be distributed for poison control services to an academic health care system that has a high indigent care volume.

Sec. 1696. It is the intent of the legislature that if an applicant for Medicaid coverage through the Healthy Michigan plan received medical coverage in the previous fiscal year through traditional Medicaid, and is still eligible for coverage through traditional Medicaid, the applicant is not eligible to receive coverage through the Healthy Michigan plan.

Sec. 1697. The department shall require that Medicaid health plans administering Healthy Michigan plan benefits maintain a network of dental providers in sufficient numbers, mix, and geographic locations throughout their respective service areas in order to provide adequate dental care for Healthy Michigan plan enrollees.

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

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

Sec. 1700. By December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the distribution of

funding provided, and the net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital during the previous fiscal year from the following special hospital payments:

(a) DSH, separated out by unique DSH pool.

(b) GME.

(c) Special rural hospital payments provided under section 1802(2) of this part.

(d) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802(1) of this part.

Sec. 1702. From the funds appropriated in part 1, the department shall provide a 10% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. These additional funds must be used to attract and retain highly qualified registered nurses and licensed practical nurses to provide private duty nursing services so that medically frail children can be cared for in the most homelike setting possible.

Sec. 1704. (1) From the funds appropriated in part 1 for health plan services, the department shall maintain the Medicaid adult dental benefit for pregnant women enrolled in a Medicaid program.

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

(a) The number of pregnant women enrolled in Medicaid who visited a dentist over the previous fiscal year.

(b) The number of dentists statewide who participate in providing dental services to pregnant women enrolled in Medicaid.

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

Sec. 1763. It is the intent of the legislature that upon expiration of contract no. 071b7700073, the department shall issue an RFP for a 3-year contract for actuarial services, including, but not limited to, capitation rate setting for Medicaid and the Healthy Michigan plan. The department shall notify the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on what vendors submitted bids for the contract, which vendor received the contract, the evaluation process, and the criteria used by the department in awarding the contract for actuarial services.

Sec. 1764. The department shall annually certify whether rates paid to Medicaid health plans and specialty PIHPs are actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval of rates paid to Medicaid health plans and specialty PIHPs within 5 business days after certification or approval to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office. Following the rate certification, the department shall ensure that no new or revised state Medicaid policy bulletin that is promulgated materially impacts the capitation rates that have been certified in a negative manner.

Sec. 1775. (1) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations

subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on progress in implementing the waiver to implement managed care for individuals who are eligible for both Medicare and Medicaid, known as MI Health Link, including any problems and potential solutions as identified by the ombudsman described in subsection (2).

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

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 Public Health Administration. The funds shall be used to support a statewide media campaign for improving this state's immunization rates.

Sec. 1790. The department shall maintain the current practitioner rates paid for current procedural terminology (CPT) codes 90791 through 90899 for psychiatric procedures through Medicaid fee-for-service and through the comprehensive Medicaid health plans for psychiatric procedures provided for Medicaid recipients under the age of 21.

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. By May 30 of the current fiscal year, the department shall report the evaluation results to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, the state budget office, and the Medicaid health plans.

Sec. 1801. (1) From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase to Medicaid rates for primary care services provided only by primary care providers. Providers performing a service and whose primary practice is as a non-primary-care subspecialty are not eligible for the increase. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only. As used in this section, "primary care provider" means a physician, or a practitioner working in collaboration with a physician, who is either licensed under part 170 or part 175 of the public health code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and working as a primary care provider in general practice or board-eligible or certified with a specialty designation of family medicine, general internal medicine, or

pediatric medicine, or a provider who provides the department with documentation of equivalency.

(2) By March 1 of the current fiscal year, the department shall provide 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 a list of medical specialties that were paid enhanced primary care rates in the fiscal year ending September 30, 2019.

Sec. 1802. (1) From the funds appropriated in part 1 for hospital services and therapy, $7,995,200.00 in general fund/general purpose revenue shall be provided as lump-sum payments to noncritical access hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care in the current fiscal year. Payment amounts shall be based on the volume of obstetrical care cases and newborn care cases for all such cases billed by each qualified hospital in the most recent year for which data is available. Payments shall be made by January 1 of the current fiscal year.

(2) From the funds appropriated in part 1 for hospital services and therapy and Healthy Michigan plan, $13,904,800.00 in general fund/general purpose revenue and any associated federal match shall be awarded as rural access payments to noncritical access hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the distribution formula shall be assistance with labor and delivery services. The department shall ensure that the rural access payments described in this subsection are distributed in a manner that ensures both of the following:

(a) A hospital shall not receive more than 10.0% of the total

rural access funding referenced in this subsection.

(b) To allow hospitals to understand their rural payment amounts under this subsection, the department shall provide hospitals with the methodology for distribution under this subsection and provide each hospital with its applicable data that are used to determine the payment amounts by August 1 of the current fiscal year. The department shall publish the distribution of payments for the current fiscal year and the immediately preceding fiscal year.

Sec. 1803. The department shall maintain rules to allow for billing to and reimbursement by the Medicaid program directly for transportation charges related to portable x-ray services rendered to patients residing in a nursing facility or an assisted living facility, or who are otherwise homebound. By October 1 of the current fiscal year, the department shall set payment rates for Medicaid transportation charges related to portable x-ray services.

Sec. 1804. (1) The department shall utilize the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans' health care benefits or other benefits. The department shall identify the specific outcomes and performance reporting requirements described in this section. The department shall acquire all of the following information by January 1 of the current fiscal year and report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the following:

(a) The number of veterans identified by the department through eligibility determinations.

(b) The number of veterans referred to the department of military and veterans affairs.

(c) The number of referrals made by the department that were contacted by the department of military and veterans affairs.

(d) The number of referrals made by the department that were eligible for veterans health care benefits or other benefits.

(e) The specific actions and efforts undertaken by the department and the department of military and veterans affairs to identify female veterans who are applying for public assistance benefits, but who are eligible for veterans benefits.

(2) By October 1 of the current fiscal year, the department shall change the public assistance application form from asking whether the prospective applicant was a veteran to asking whether the applicant had ever served in the military.

(3) This section does not prohibit the department from entering into interagency agreements with any other public department or agency in this state in order to obtain the information detailed in subsection (1).

Sec. 1810. In advance of the annual rate setting development, Medicaid health plans shall be given at least 60 days to dispute and correct any discarded encounter data before rates are certified. The department shall notify each contracting Medicaid health plan of any encounter data that have not been accepted for the purposes of rate setting.

Sec. 1812. By June 1 of the current fiscal year, and using the most recent available cost reports, the department shall complete a report of all direct and indirect costs associated with residency training programs for each hospital that receives funds appropriated in part 1 for graduate medical education or through

the MiDocs consortium. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

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

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

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

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients.

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

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

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

Sec. 1850. The department may allow Medicaid health plans to assist with maintaining eligibility through outreach activities to

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

Sec. 1851. From the funds appropriated in part 1 for adult home help services, the department shall allocate $150,000.00 state general fund/general purpose revenue plus any associated federal match to develop and deploy a mobile electronic visit verification solution to create administrative efficiencies, reduce error, and minimize fraud. The development of the solution shall be predicated on input from the results of the 2017 stakeholder survey.

Sec. 1855. From the funds appropriated in part 1 for program of all-inclusive care for the elderly (PACE), to the extent that funding is available in the PACE line item and unused program slots are available, the department may do the following:

(a) Increase the number of slots for an already-established local PACE program if the local PACE program has provided appropriate documentation to the department indicating its ability to expand capacity to provide services to additional PACE clients.

(b) Suspend the 10 member per month individual PACE program enrollment increase cap in order to allow unused and unobligated slots to be allocated to address unmet demand for PACE services.

Sec. 1856. (1) From the funds appropriated in part 1 for hospice services, $3,318,000.00 shall be expended to provide room and board for Medicaid recipients who meet hospice eligibility requirements and receive services at Medicaid enrolled hospice residences in this state. The department shall distribute funds through grants based on the total beds located in all eligible

residences that have been providing these services as of October 1, 2017. Any eligible grant applicant may inform the department of their request to reduce the grant amount allocated for their residence and the funds shall be distributed proportionally to increase the total grant amount of the remaining grant-eligible residences. Grant amounts shall be paid out monthly with 1/12 of the total grant amount distributed each month to the grantees.

(2) By September 15 of the current fiscal year, each Medicaid-enrolled hospice with a residence that receives funds under this section shall provide a report to the department on the utilization of the grant funding provided in subsection (1). The report shall be provided in a format prescribed by the department and shall include the following:

(a) The number of patients served.

(b) The number of days served.

(c) The daily room and board rates for the patients served.

(d) If there is not sufficient funding to cover the total room and board need, the number of patients who did not receive care due to insufficient grant funding.

(3) If there is funding remaining at the end of the current fiscal year, the Medicaid-enrolled hospice with a residence shall return funding to the state.

Sec. 1857. By July 1 of the current fiscal year, the department shall explore the implementation of a managed care long-term support service.

Sec. 1858. By April 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies on all of the following elements related to the

current Medicaid pharmacy carve-out of pharmaceutical products as provided for in section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

(a) The number of prescriptions paid by the department during the previous fiscal year.

(b) The total amount of expenditures for prescriptions paid by the department during the previous fiscal year.

(c) The number of and total expenditures for prescriptions paid for by the department for generic equivalents during the previous fiscal year.

Sec. 1859. The department shall partner with the Michigan Association of Health Plans (MAHP) and Medicaid health plans to develop and implement strategies for the use of information technology services for Medicaid research activities. The department shall make available state medical assistance program data, including Medicaid behavioral data, to MAHP and Medicaid health plans or any vendor considered qualified by the department for the purpose of research activities consistent with this state's goals of improving health; increasing the quality, reliability, availability, and continuity of care; and reducing the cost of care for the eligible population of Medicaid recipients.

Sec. 1860. By March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget office on uncollected co-pays and premiums in the Healthy Michigan plan. The report shall include information on the number of participants who have not paid their co-pays and premiums, the total amount of uncollected co-pays and premiums, and steps taken by the department and health plans to ensure greater

collection of co-pays and premiums.

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

Sec. 1867. (1) The department shall continue a workgroup that includes psychiatrists, other relevant prescribers, and pharmacists to identify best practices and to develop a protocol for psychotropic medications. Any changes proposed by the workgroup shall protect a Medicaid beneficiary's current psychotropic pharmaceutical treatment regimen by not requiring a physician currently prescribing any treatment to alter or adjust that treatment.

(2) By March 1 of the current fiscal year, the department shall provide the workgroup's recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office.

Sec. 1870. (1) From the funds appropriated in part 1 for hospital services and therapy, the department shall appropriate $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities. The new primary care residency slots must be in 1 of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery.

(2) The department shall seek any necessary approvals from CMS to allow the department to implement the program described in this section.

(3) Assistance with repayment of medical education loans, loan

interest payments, or scholarships provided by MiDocs shall be contingent upon a minimum 2-year commitment to practice in an underserved community in this state post-residency and an agreement to forego any sub-specialty training for at least 2 years post-residency with the exception of a child and adolescent psychiatry fellowship which must be integrated with a psychiatry residency training program in a MiDocs affiliated institution.

(4) The MiDocs shall work with the department to integrate the Michigan inpatient psychiatric admissions discussion (MIPAD) recommendations and, when possible, prioritize training opportunities in state psychiatric hospitals and community mental health organizations.

(5) The department shall maintain the MiDocs initiative advisory council to help support implementation of the program described in this section, and provide oversight. The advisory council shall be composed of the MiDocs consortium, the Michigan Area Health Education Centers, the Michigan Primary Care Association, the Michigan Center for Rural Health, the Michigan Academy of Family Physicians, and any other appointees designated by the department.

(6) By September 1 of the current fiscal year, MiDocs shall report 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, on the following:

(a) Audited financial statement of per-resident costs.

(b) Education and clinical quality data.

(c) Roster of trainees, including areas of specialty and locations of training.

(d) Medicaid revenue by training site.

(7) Outcomes and performance measures for this program include, but are not limited to, all of the following:

(a) Increasing this state's ability to recruit, train, and retain primary care physicians and other select specialty physicians in underserved communities.

(b) Maximizing training opportunities with community health centers, rural critical access hospitals, solo or group private practice physician practices, schools, and other community-based clinics, in addition to required rotations at inpatient hospitals.

(c) Increasing the number of residency slots for family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, and general surgery.

(8) Unexpended and unencumbered funds up to a maximum $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match remaining in accounts appropriated in part 1 for hospital services and therapy are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the MiDocs consortium to create new primary care residency slots in underserved communities under this section until the work project has been completed. All of the following are 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 fund the cost of the MiDocs consortium to create new primary care residency slots in underserved communities.

(b) The work project will be accomplished by contracting with

the MiDocs consortium to oversee the creation of new primary care residency slots.

(c) The total estimated completion cost of the work project is $20,200,000.00.

(d) The tentative completion date is September 30, 2026.

Sec. 1871. The funds appropriated in part 1 for the Healthy Michigan plan healthy behaviors incentives program shall only provide reductions in cost-sharing responsibilities and shall not include other financial rewards such as gift cards.

Sec. 1872. From the funds appropriated in part 1 for personal care services, the department shall maintain the monthly Medicaid personal care supplement paid to adult foster care facilities and homes for the aged that provide personal care services to Medicaid recipients in place during the previous fiscal year.

Sec. 1873. From the funds appropriated in part 1 for long-term care services, the department may allocate up to $3,700,000.00 for the purpose of outreach and education to nursing home residents and the coordination of housing in order to move out of the facility. In addition, any funds appropriated shall be used for other quality improvement activities of the program. The department shall consider working with all relevant stakeholders to develop a plan for the ongoing sustainability of the nursing facility transition initiative.

Sec. 1874. The department shall ensure, in counties where program of all-inclusive care for the elderly or PACE services are available, that the program of all-inclusive care for the elderly (PACE) is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for

independent living, and the MiChoice home and community-based waiver. Such options counseling must include approved marketing and discussion materials.

Sec. 1875. (1) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is generally recognized in a standard medical reference or the American Psychiatric Association's Diagnostic and Statistical Manual for the Treatment of a Psychiatric Disorder.

(2) The department and its contractual agents may not subject Medicaid prescriptions to prior authorization procedures during the current fiscal year if that drug is a prescription drug that is generally recognized in a standard medical reference for the treatment of human immunodeficiency virus or acquired immunodeficiency syndrome, epilepsy or seizure disorder, or organ replacement therapy. The department shall explore including medications for the treatment of Duchenne Muscular Dystrophy on the list of Medicaid prescriptions not subject to prior authorization.

(3) As used in this section, "prior authorization" means a process implemented by the department or its contractual agents that conditions, delays, or denies delivery of particular pharmacy services to Medicaid beneficiaries upon application of predetermined criteria by the department or its contractual agents to those pharmacy services. The process of prior authorization often requires that a prescriber do 1 or both of the following:

(a) Obtain preapproval from the department or its contractual agents before prescribing a given drug.

(b) Verify to the department or its contractual agents that the use of a drug prescribed for an individual meets predetermined

criteria from the department or its contractual agents for a prescription drug that is otherwise available under the Medicaid program in this state.

Sec. 1879. (1) The department shall maintain a single, standard preferred drug list to be used by all contracted Medicaid managed health care programs. Changes to the preferred drug list shall be made in consultation with all contracted managed health care programs and the Michigan pharmacy and therapeutics committee to ensure sufficient access to medically necessary drugs for each disease state. The department has final authority over the list and shall design the list to ensure access to clinically effective and appropriate drug therapies and maximize federal rebates and supplemental rebates.

(2) By July 15 of the current fiscal year, the department shall submit a report 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 that compares the managed care pharmacy expenditures before implementing a single, standard preferred drug list to managed care pharmacy expenditures after implementing a single, standard preferred drug list. The report shall include data on collected rebates and expenditures by quarter for at least 8 quarters prior to implementing a single, standard preferred drug list, and the experienced rebates and expenditures for at least 6 quarters, and the projected rebates and expenditures for at least 2 quarters after implementing a single, standard preferred drug list. The data shall be aggregated by the department so as not to disclose the proprietary or confidential drug-specific information, or the proprietary or confidential information that directly or indirectly

identifies financial information linked to a single manufacturer. The report shall include any administrative costs or savings associated with the continued implementation of a single, standard Medicaid preferred drug list and must include information on a per Medicaid prescription basis.

Sec. 1880. (1) By June 1 of the current fiscal year, the department shall provide a report to the senate and house committees on appropriations, the senate and house fiscal agencies, and the state budget office on the newly implemented statewide Medicaid preferred drug list policy. This report must include, but is not limited to, all of the following:

(a) The difference between estimated pharmacy expenditures and actual pharmacy expenditures incurred by the Medicaid health plans through the first 2 quarters of the fiscal year.

(b) The difference between estimated federal and supplemental rebates and actual amount of federal and supplemental rebates realized from the Medicaid health plan pharmacy utilization through the first 2 quarters of the fiscal year.

(c) The difference between the estimated ingredient cost increase and the actual ingredient cost increase incurred by the Medicaid health plans through the first 2 quarters of the fiscal year.

(d) The difference between the estimated annual change in pharmacy utilization and the actual annual change in pharmacy utilization incurred by the Medicaid health plans through the first 2 quarters of the fiscal year.

(2) By June 1 of the current fiscal year, the department shall provide adjustments to capitation rates paid to Medicaid health plans to reflect the difference between the rates implemented for

fiscal year 2020-2021 and the per enrollee health benefit expenses incurred by contracted health plans to the senate and house committees on appropriations, the senate and house fiscal agencies, and the state budget office. Any adjustments made to the capitation rates under this section shall be made outside of the updated estimates of Medicaid expenditures revised pursuant to section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, in May of the current fiscal year for the impacted period.

Sec. 1881. The managed care capitation rates for the fiscal year ending September 30, 2022 shall not include a 2-way risk corridor.

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

Sec. 1894. By March 1 of the current fiscal year, the department shall report 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 on the Healthy Kids Dental program. The report shall include, but is not limited to, the following:

(a) The number of children enrolled in the Healthy Kids Dental program who visited the dentist during the previous fiscal year broken down by dental benefit manager.

(b) The number of dentists who accept payment from the Healthy Kids Dental program broken down by dental benefit manager.

(c) The annual change in dental utilization of children enrolled in the Healthy Kids Dental program broken down by dental benefit manager.

(d) Service expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

(e) Administrative expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

INFORMATION TECHNOLOGY

Sec. 1901. (1) The department shall provide a report on a quarterly basis 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 on all of the following information:

(a) The process used to define requests for proposals for each expansion of information technology projects, including timelines, project milestones, and intended outcomes.

(b) If the department decides not to contract the services out to design and implement each element of the information technology expansion, the department shall submit its own project plan that includes, at a minimum, the requirements in subdivision (a).

(c) A recommended project management plan with milestones and time frames.

(d) The proposed benefits from implementing the information technology expansion, including customer service improvement, form reductions, potential time savings, caseload reduction, and return on investment.

(e) Details on the implementation of the integrated service delivery project, and the progress toward meeting the outcomes and

performance measures listed in section 1904(2) of this part.

(f) A list of projects approved in the previous quarter and the purpose for approving each project including any federal, state, court, or legislative requirement for each project.

(2) Once an award for an expansion of information technology is made, the department shall report 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 a projected cost of the expansion broken down by use and type of expense.

Sec. 1903. (1) The department shall report 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 November 1 of the current fiscal year the status of an implementation plan regarding the appropriation in part 1 to modernize the MiSACWIS. The report shall include, but not be limited to, an update on the status of the settlement and efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) The department shall report 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 November 1, January 1, March 1, May 1, July 1, and September 1 of the current fiscal year a status report on the planning, implementation, and operation, regardless of the current operational status, regarding the appropriation in part 1 to implement the MiSACWIS. The report shall provide details on the

planning, implementation, and operation of the MiSACWIS, including, but not limited to, all of the following:

(a) Areas where implementation went as planned, and in each area including whether the implementation results in either enhanced user interface or portal access, conversion to new modules, or substantial operation improvement to the MiSACWIS.

(b) The number of known issues.

(c) The average number of help tickets submitted per day.

(d) Any additional overtime or other staffing costs to address known issues and volume of help tickets.

(e) Any contract revisions to address known issues and volume of help tickets.

(f) Other strategies undertaken to improve implementation, and for each strategy area including whether the implementation results in either enhanced user interface or portal access, conversion to new modules, or substantial operation improvement to the MiSACWIS.

(g) Progress developing cross-system trusted data exchange with the MiSACWIS.

(h) Progress in moving away from a statewide automated child welfare information system (SACWIS) to a comprehensive child welfare information system (CCWIS).

(i) Progress developing and implementing a program to monitor data quality.

(j) Progress developing and implementing custom integrated systems for private agencies.

(k) A list of all change orders, planned or in progress.

(*l*) The status of all change orders, planned or in progress.

(m) The estimated costs for all planned change orders.

(n) The estimated and actual costs for all change orders in

progress.

Sec. 1904. (1) From the funds appropriated in part 1 for the technology supporting integrated service delivery line item, the department shall maintain information technology tools and enhance existing systems to improve the eligibility and enrollment process for citizens accessing department administered programs. This information technology system shall consolidate beneficiary information, support department caseworker efforts in building a success plan for beneficiaries, and better support department staff in supporting enrollees in assistance programs.

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

(a) Successful consolidation of data warehouses maintained by the department.

(b) The amount of time a department caseworker devotes to data entry when initiating an enrollee application.

(c) A reduction in wait times for persons enrolled in assistance programs to speak with department staff and get necessary changes made.

(d) A reduction in department caseworker workload.

Sec. 1905. (1) The department shall report on a monthly basis to the chairs of the senate and house standing committees on appropriations, the senate and house appropriations subcommittees on the department budget, the senate and house appropriations subcommittees on the general government budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on all of the following:

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

appropriation.

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

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

(d) A list of all information technology projects estimated to cost more than $250,000.00 that exceed their allotted budget and all information technology projects that have exceeded their allotted budget by 25% or more.

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

(a) Community health automated Medicaid processing system (CHAMPS).

(b) Bridges and MiBridges eligibility determination.

(c) MiSACWIS.

(d) Integrated service delivery.

(3) By April 30 of the current fiscal year, the department, in coordination with the department of technology, management, and budget, shall provide 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 a 5-year strategic plan for information technology services and projects for the department. The strategic plan shall identify any scheduled changes in the federal and state shares of costs related to information technology services and projects over the 5-year period. As part of the strategic plan, the department shall include total information technology expenditures from the previous

fiscal year by fund source, total information technology appropriations as a percentage of total department appropriations by fund source, and a return on investment, by project, for all information technology expenditures in the previous fiscal year. The strategic plan shall also include, for the previous 5 fiscal years, the department's information technology spending compared to similar departments in 3 other states located in the Midwest.

Sec. 1906. (1) The workgroup, in collaboration with the Michigan Federation of Children and Families and the Association of Accredited Child and Family Agencies, shall issue a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office no later than November 1, January 1, March 1, May 1, July 1, and September 1 of the current fiscal year that must consist of, but is not limited to, the following:

(a) Recommendations for the future funding and operations of MiSACWIS and the replacement state child welfare information system.

(b) Recommendations for any remedial actions that the workgroup considers necessary for the department to implement in order to improve the functions of MiSACWIS and the subsequent state child welfare information system, and measures established to determine the success of MiSACWIS and the replacement state child welfare information system.

(c) Any other information the workgroup would like to provide regarding MiSACWIS and the replacement state child welfare information system.

(2) As used in this section, "workgroup" means the workgroup

established by the department to facilitate the transition from the use of MiSACWIS to a replacement state child welfare information system, according to the independent assessment of Michigan's statewide automated child welfare information system and child welfare data reporting infrastructure submitted to the United States District Court for the Eastern District of Michigan on February 25, 2019.

Sec. 1907. By October 1 and March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on all current, contracted information technology-related projects, total contractual costs, spending in previous fiscal years, planned spending for the current fiscal year, and fiscal year-to-date spending, by project.

Sec. 1909. (1) From the funds appropriated in part 1 for child support automation, the department shall only encumber or expend funds for the operation, maintenance, and improvements of the Michigan child support enforcement system (MiCSES).

(2) From the funds appropriated in part 1 for bridges information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of Bridges and MIBridges.

(3) From the funds appropriated in part 1 for technology supporting integrated service delivery, the department shall only encumber or expend funds for the operation, maintenance, and improvements of integrated service delivery.

(4) From the funds appropriated in part 1 for Michigan Medicaid information system, the department shall only encumber or

expend funds for the operation, maintenance, and improvements of the community health automated Medicaid processing system (CHAMPS).

(5) From the funds appropriated in part 1 for Michigan statewide automated child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of MiSACWIS.

(6) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements to the comprehensive child welfare information system.

(7) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall allocate $3,762,200.00 to develop a new information system to replace MiSACWIS consistent with the plan provided by the department to the United States District Court for Eastern District of Michigan as a part of the settlement. The development of the comprehensive child welfare information system shall adhere to department of technology, management, and budget and IT Investment Fund (ITIF) policies and practices, including use of the state unified information technology environment methodology and agile development. The project team shall also participate in and comply with the enterprise portfolio management office process and product quality assurance. To ensure full transparency, the project shall be included in the ITIF portfolio for executive, legislative, and external reporting purposes. As a component of the ITIF portfolio, the project is subject to governance and oversight by the IT investment management board.

ONE-TIME APPROPRIATIONS

Sec. 1910. From the funds appropriated in part 1 for hospital infrastructure improvements, the department shall appropriate $2,826,000.00 to a hospital located in a village with a population between 250 and 1,000 within a county with a population between 61,300 and 63,900, according to the most recent federal decennial census, for critical infrastructure improvements.

Sec. 1911. From the funds appropriated in part 1 for first responder and public safety staff mental health, the department shall allocate $100.00 toward a program to support firefighters, police officers, emergency medical services personnel, dispatchers, and correctional officers suffering from post-traumatic stress syndrome and other mental health conditions. The program will primarily provide grants to behavioral health providers and may also include funding to improve information and referrals for these services.

Sec. 1912. (1) From the funds appropriated in part 1 for hospital behavioral health pilot program, the department shall appropriate $3,000,000.00 to McLaren Greater Lansing for a pilot program located in a county with a population between 280,000 and 281,000 according to the most recent federal decennial census for the purpose of operating a pilot program to ensure that the behavioral and physical health needs of residents of this state are addressed. This pilot program shall seek to provide additional behavioral health services in a more efficient manner due to a partnership with state-based institutions on staffing assistance and shared services with a Michigan-based health system. The pilot program shall do all of the following:

(a) Connect participants with available benefits.

(b) Help participants maintain eligibility.

(c) Link participants with necessary health care services.

(d) Maintain participants' medication routines.

(e) Address participants' barriers to care.

(2) For the duration of the pilot program, the department shall allow for the direct referral of patients to the pilot program. It is the intent of the legislature that this pilot program shall be designed to last 3 years and that the pilot program not exceed a maximum bed capacity of 45 beds.

(3) By September 30 of the current fiscal year, the managing entity of the pilot program shall submit a report to the department, 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. The report shall include, at a minimum, all of the following:

(a) The number of patients served by the pilot program.

(b) A breakdown of state expenditures for the pilot program.

(c) A breakdown of cost savings compared to a facility solely operated by the state.

(d) The average length of a patient stay.

(e) The number of readmissions of a patient in a 365-day period.

(f) The number of staffing hours worked by university students.

(g) The number of admitted patients.

(h) The distance traveled to reach the facility.

(i) The number of patients who had previously been admitted to a mental health facility.

(j) The number of patients who were admitted to a mental health facility for the first time.

Sec. 1913. From the funds appropriated in part 1 for lead poisoning prevention fund, the department shall allocate $2,000,000.00 towards the establishment of a lead poisoning prevention fund. The lead poisoning prevention fund would be administered by an independent third party as a public private loan loss reserve fund that would support loans to landlords and homeowners remediating lead hazards from their property.

Sec. 1914. (1) From the funds appropriated in part 1 for nursing capacity and diversity pilot, the department shall appropriate $100.00 for an enhanced nursing capacity and diversity pilot project administered by a college of nursing at a 4-year state university located in a city with a population between 100,000 and 200,000 within a county with a population between 450,000 and 800,000, according to the most recent federal decennial census.

(2) Outcomes and performance measures for the pilot project described under this section shall include, but are not limited to, the following:

(a) The number of nurses participating in the pilot project, broken down by race.

(b) The number of nurses who obtained employment through the pilot project.

(c) The total expenditures for tuition support for pilot project participants.

(d) The total expenditures for stipends for pilot project participants.

(e) The total administrative expenses.

(f) The average amount of time for a pilot project participant to complete their degree.

Sec. 1915. From the funds appropriated in part 1 for healthy communities grant, $500,000.00 shall be allocated for a 1-time grant to Leaders Advancing and Helping Communities for community healthy living, obesity prevention, and substance abuse prevention programs.

Sec. 1916. From the funds appropriated in part 1 for kids' food basket, the department shall allocate $500,000.00 to fund a project with a nonprofit, community-based organization 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 is located in a city with a population between 185,000 and 195,000 according to the most recent federal decennial census which city is located in a county with a population between 600,000 and 605,000 according to the most recent federal decennial census. The nonprofit organization recipient shall have an existing network of food delivery to low-income children to at least 3 counties in this state. The nonprofit organization shall use the funds for increased operational costs due to the coronavirus pandemic and for expansion of services to additional schools and communities. The funding may be used to cover employee costs, food and supplies, equipment, and other operational costs identified by the organization to support their mission and goals.

Sec. 1917. From the funds appropriated in part 1 for narcotics awareness program, the department shall allocate $100.00 to a nonprofit organization 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 with headquarters in a township with a population between 96,500 and 97,000 within a county with a population between 700,000 and 1,000,000, according

to the most recent federal decennial census. To be eligible to receive funding, the nonprofit organization must have a stated mission to offer community-based, compassionate, best-practice/evidence-based services to those suffering from addiction, as well as their loved ones, and to erase the stigma of addiction and instill compassion and hope.

Sec. 1918. From the funds appropriated in part 1 for veterans health clinic, the department shall allocate $100.00 to McLaren Port Huron to expand telehealth and behavioral health services at a community health center located in a city with a population between 1,000 and 4,000 within a county with a population between 161,000 and 171,000, according to the most recent federal decennial census.

Sec. 1919. (1) From the funds appropriated in part 1 for jail diversion fund, the department shall allocate $100.00 to create the jail diversion fund. The jail diversion fund shall be administered by the mental health diversion council, in accordance with recommendations of the Michigan joint task force on jail and pretrial incarceration.

(2) The mental health diversion council shall distribute grants to local entities for the purpose of establishing or expanding jail diversion programs in partnership with local law enforcement and private or public behavioral health service providers. Grants must be distributed as follows:

(a) Half shall be distributed to community-based mobile crisis intervention services in partnership between law enforcement and mental health practitioners. The mental health diversion council must give priority to grant applications that demonstrate a commitment to a comprehensive co-response model that includes at least all of the following:

(*i*) Full integration with existing 911 dispatch centers.

(*ii*) Inclusion of both co-responder clinicians and co-responder peers.

(*iii*) Access to residential treatment facilities.

(*iv*) Inclusion of telehealth response and follow-up services.

(*v*) Mental health professionals employed independently from law enforcement.

(*vi*) Other best practices as identified by the council.

(b) Half shall be distributed to any type of pre-arrest or post-arrest diversion program in which individuals with behavioral health needs are identified and diverted out of the criminal justice system. The mental health diversion council must give priority to local entities located in counties without an urbanized area of at least 50,000 people, according to the most recent federal decennial census.

(3) Grant applications may be made by any applicable local entity and must be distributed to local entities using a prospective payment methodology.

(4) The department shall seek federal authority as outlined under section 9813 of the American Rescue Plan Act of 2021, Public Law 117-2, to utilize enhanced federal Medicaid matching funds for the operation of the programs described in this section. It is the intent of the legislature that local entities receiving grants under this section partner with philanthropic organizations to supplement state funding.

(5) Local entities receiving grants under this section must submit a report containing metrics pertinent to the progress of their diversion program to the mental health diversion council annually. The council must compile and submit an annual report 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 and make the report publicly available within 30 days after receiving the report. Local entities may utilize a portion of grant funding received under this section to contract with independent organizations for the purpose of fulfilling this requirement. The mental health diversion council shall determine the specific metrics required and notify the local entities at the time of the first grant disbursement. Metrics for grants may include, but are not limited to, all of the following:

(a) The number of calls to which co-responders are dispatched alone and the number of calls to which co-responders are dispatched alongside law enforcement.

(b) The number of calls transferred to telehealth co-responders with physical response follow-up and the number of calls transferred to telehealth co-responders without physical response follow-up.

(c) The law enforcement call clear time when co-responders are dispatched, and the law enforcement call clear time when co-responders are not dispatched.

(d) The co-responder, co-responder clinician, and co-responder peer call time per call.

(e) The number of co-responder-attended calls resulting in the following:

(*i*) Jail admission.

(*ii*) On-location de-escalation.

(*iii*) Crisis center or crisis stabilization unit residential admission.

(*iv*) Behavioral health facility inpatient admission.

(*v*) Referral for behavioral or mental health services without residential or inpatient admission.

(*vi*) Referral to community or social services such as homeless shelters, women's shelters, food pantries, or other similar services.

(f) The number of individuals served by co-responder-attended calls broken down by age, gender, and race and ethnicity.

(g) The reduction in frequency of law enforcement interaction with known frequently served individuals.

(h) The number of follow-up visits, including method and location.

(i) The overall program costs broken down by administration, training, co-responder clinician, co-responder, and per-call costs.

(6) The unexpended funds appropriated in part 1 for jail diversion fund are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the fund is depleted. 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 project is to distribute grant funds to local entities establishing or expanding jail diversion programs.

(b) The projects will be accomplished through grants to local entities establishing or expanding jail diversion programs in partnership with local law enforcement and private or public behavioral health service providers.

(c) The total estimated cost of the work project is $20,000,000.00.

(d) The tentative completion date is September 30, 2025.

Sec. 1921. From the funds appropriated in part 1 for statewide health information exchange projects, the department shall allocate $1,750,000.00 to a public and private nonprofit collaboration that is designated as this state's statewide health information exchange by cooperative agreement to implement health information technology strategies for health information exchange development, data management, and population health at a statewide level.

Sec. 1934. (1) From the funds appropriated in part 1 for long-term care facility supports, the department shall allocate $9,000,000.00 general fund and any associated federal matching funds for a supplemental payment to nursing home providers. This payment shall be structured as a 1.5% increase to the Medicaid per-bed day variable cost reimbursement rate. Payment shall not be made until the department has received federal approval.

(2) The intent of the payment described in subsection (1) is to provide 1-time support for nursing home providers to support additional COVID-19 related expenditures and decreasing census during the coronavirus public health emergency.