

SUBSTITUTE FOR  
SENATE BILL NO. 828

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2023; and to provide for the expenditure of the appropriations.

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

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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, 2023, from the following funds:

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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**APPROPRIATION SUMMARY**

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Full-time equated unclassified positions	6.0
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Full-time equated classified positions	14,072.4
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1	Average population	770.0	
2	<b>GROSS APPROPRIATION</b>		<b>\$ 32,526,418,700</b>
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers	14,203,400	
6	<b>ADJUSTED GROSS APPROPRIATION</b>		<b>\$ 32,512,215,300</b>
7	Federal revenues:		
8	Capped federal revenues	461,679,900	
9	Coronavirus state fiscal recovery fund	3,000,100	
10	Social security act, temporary assistance for		
11	needy families	561,486,800	
12	Total other federal revenues	22,357,410,200	
13	Special revenue funds:		
14	Total local revenues	152,849,700	
15	Total private revenues	178,691,300	
16	Michigan merit award trust fund	61,268,700	
17	Total other state restricted revenues	2,924,606,600	
18	<b>State general fund/general purpose</b>		<b>\$ 5,811,222,000</b>
19	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND</b>		
20	<b>SUPPORT</b>		
21	Full-time equated unclassified positions	6.0	
22	Full-time equated classified positions	777.4	
23	Unclassified salaries--FTEs	6.0	\$ 1,336,600
24	Administrative hearings officers		\$ 10,004,500
25	Demonstration projects--FTEs	0.0	6,172,900
26	Departmental administration and management--		
27	FTEs	587.1	98,140,800
28	Legal services		12,300,000

1	Office of inspector general--FTEs	177.1	23,413,000
2	Property management		64,701,200
3	Terminal leave payments		7,092,100
4	Training and program support--FTEs	13.2	1,744,200
5	Worker's compensation		8,682,500
6	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>233,587,800</b>
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG from department of education		1,893,100
10	IDG from department of technology, management,		
11	and budget - office of retirement services		600
12	Federal revenues:		
13	Social security act, temporary assistance for		
14	needy families		31,363,600
15	Capped federal revenues		17,770,400
16	Total other federal revenues		68,423,100
17	Special revenue funds:		
18	Total local revenues		80,000
19	Total private revenues		3,363,900
20	Total other state restricted revenues		1,304,000
21	<b>State general fund/general purpose</b>	<b>\$</b>	<b>109,389,100</b>
22	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>		
23	Full-time equated classified positions	171.6	
24	Child support enforcement operations--FTEs	166.6	\$ 23,062,400
25	Child support incentive payments		24,409,600
26	Legal support contracts		102,090,200
27	State disbursement unit--FTEs	5.0	7,237,500
28	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>156,799,700</b>

1	Appropriated from:		
2	Federal revenues:		
3	Capped federal revenues		14,839,600
4	Total other federal revenues		118,877,100
5	<b>State general fund/general purpose</b>	<b>\$</b>	<b>23,083,000</b>
6	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>		
7	Full-time equated classified positions	73.8	
8	Bureau of community services and outreach--FTEs	24.0	\$ 3,482,700
9	Child advocacy centers--FTEs	0.5	2,407,000
10	Community services and outreach administration--		
11	-FTEs	19.0	7,095,000
12	Community services block grant		25,840,000
13	Crime victim grants administration services--		
14	FTEs	13.2	2,557,700
15	Crime victim justice assistance grants		98,579,300
16	Crime victim rights services grants		19,869,900
17	Diaper assistance grant		4,404,400
18	Domestic violence prevention and treatment--		
19	FTEs	15.6	18,357,000
20	Homeless programs		24,082,500
21	Housing and support services		13,031,000
22	Human trafficking intervention services		200,000
23	Kids' food basket		525,000
24	Rape prevention and services--FTE	0.5	5,097,300
25	Runaway and homeless youth grants		7,784,000
26	School success partnership program		1,525,000
27	Uniform statewide sexual assault evidence kit		
28	tracking system--FTE	1.0	369,500

1	Weatherization assistance		15,505,000
2	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>250,712,300</b>
3	Appropriated from:		
4	Federal revenues:		
5	Social security act, temporary assistance for		
6	needy families		32,234,500
7	Capped federal revenues		62,390,400
8	Total other federal revenues		117,414,900
9	Special revenue funds:		
10	Child advocacy centers fund		1,407,000
11	Compulsive gambling prevention fund		1,040,500
12	Crime victim's rights fund		18,764,100
13	Sexual assault victims' prevention and		
14	treatment fund		3,000,000
15	<b>State general fund/general purpose</b>	<b>\$</b>	<b>14,460,900</b>
16	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>		
17	<b>WELFARE</b>		
18	Full-time equated classified positions	3,715.9	
19	Adoption subsidies		\$ 212,189,700
20	Adoption support services--FTEs	10.0	41,602,300
21	Attorney general contract		4,651,200
22	Child abuse and neglect - children's justice		
23	act--FTE	1.0	627,900
24	Child care fund		279,150,200
25	Child care fund - indirect cost allotment		3,500,000
26	Child legal representation		500,000
27	Child protection		2,050,300
28	Child welfare administration travel		390,000

1	Child welfare field staff - noncaseload		
2	compliance--FTEs	353.0	41,350,200
3	Child welfare institute--FTEs	53.0	7,617,300
4	Child welfare licensing--FTEs	49.0	6,074,600
5	Child welfare medical/psychiatric evaluations		11,428,500
6	Children's protective services - caseload		
7	staff--FTEs	1,410.1	145,009,200
8	Children's protective services supervisors--		
9	FTEs	372.3	46,110,900
10	Children's services administration--FTEs	152.4	17,863,000
11	Children's trust fund--FTEs	4.7	3,801,200
12	Contractual services, supplies, and materials		9,567,600
13	Court-appointed special advocates		1,000,000
14	Education planners--FTEs	11.0	1,486,300
15	Family preservation and prevention services		
16	administration--FTEs	9.0	1,412,100
17	Family preservation programs--FTEs	10.4	55,008,300
18	Foster care payments		326,156,200
19	Foster care services - caseload staff--FTEs	872.6	86,217,400
20	Foster care services supervisors--FTEs	204.0	28,103,800
21	Guardianship assistance program		11,741,200
22	Interstate compact		179,600
23	Peer coaches--FTEs	45.5	6,291,100
24	Performance-based funding implementation--FTE	1.0	1,106,500
25	Permanency resource managers--FTEs	24.0	2,966,400
26	Prosecuting attorney contracts		8,142,800
27	Raise the age fund		9,150,000

1	Second line supervisors and technical staff--		
2	FTEs	126.0	19,848,000
3	Settlement monitor		2,219,900
4	Strong families/safe children		12,600,000
5	Title IV-E compliance and accountability		
6	office--FTEs	3.0	330,300
7	Youth in transition--FTEs	3.9	8,115,500
8	<b>GROSS APPROPRIATION</b>		<b>\$ 1,415,559,500</b>
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	IDG from department of education		244,400
12	Federal revenues:		
13	Social security act, temporary assistance for		
14	needy families		338,994,600
15	Capped federal revenues		105,157,300
16	Total other federal revenues		237,168,900
17	Special revenue funds:		
18	Local funds - county chargeback		42,770,200
19	Private - collections		2,700,000
20	Children's trust fund		2,323,000
21	Total other state restricted revenues		2,000,000
22	<b>State general fund/general purpose</b>		<b>\$ 684,201,100</b>
23	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>		
24	<b>JUSTICE</b>		
25	Full-time equated classified positions	105.1	
26	Bay Pines Center--FTEs	37.9	\$ 4,689,100
27	Committee on juvenile justice administration--		
28	FTE	1.0	171,000

1	Committee on juvenile justice grants		3,000,000
2	Community support services--FTEs	2.0	1,858,800
3	County juvenile officers		3,977,600
4	Juvenile justice, administration and		
5	maintenance--FTEs	21.0	3,812,300
6	Shawono Center--FTEs	43.2	5,405,600
7	<b>GROSS APPROPRIATION</b>		<b>\$ 22,914,400</b>
8	Appropriated from:		
9	Federal revenues:		
10	Capped federal revenues		8,351,900
11	Special revenue funds:		
12	Local funds - state share education funds		1,201,000
13	Local funds - county chargeback		3,921,200
14	<b>State general fund/general purpose</b>		<b>\$ 9,440,300</b>
15	<b>Sec. 107. PUBLIC ASSISTANCE</b>		
16	Full-time equated classified positions	1.0	
17	Emergency services local office allocations		8,813,500
18	Family independence program		56,013,500
19	Food assistance program benefits		4,188,184,600
20	Food Bank Council of Michigan		2,045,000
21	Indigent burial		2,099,000
22	Low-income home energy assistance program		174,951,600
23	Michigan energy assistance program--FTE	1.0	50,000,000
24	Refugee assistance program--FTEs	0.0	3,054,200
25	State disability assistance payments		3,576,700
26	State supplementation		54,992,200
27	State supplementation administration		1,806,100
28	<b>GROSS APPROPRIATION</b>		<b>\$ 4,545,536,400</b>



1	Appropriated from:		
2	Federal revenues:		
3	Social security act, temporary assistance for		
4	needy families		50,729,600
5	Capped federal revenues		178,005,800
6	Total other federal revenues		4,183,474,600
7	Special revenue funds:		
8	Child support collections		9,841,900
9	Low-income energy assistance fund		50,000,000
10	Public assistance recoupment revenue		4,820,000
11	Supplemental security income recoveries		914,400
12	<b>State general fund/general purpose</b>	<b>\$</b>	<b>67,750,100</b>
13	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>		
14	Full-time equated classified positions	5,532.1	
15	Administrative support workers--FTEs	117.5	\$ 1,000,000
16	Adult services field staff--FTEs	478.9	55,126,600
17	Contractual services, supplies, and materials		23,278,500
18	Donated funds positions--FTEs	238.0	28,530,400
19	Elder Law of Michigan MiCAFE contract		350,000
20	Electronic benefit transfer (EBT)		5,993,000
21	Employment and training support services		4,219,100
22	Field policy and administration--FTEs	116.2	18,518,000
23	Field staff travel		6,122,300
24	Medical/psychiatric evaluations		1,120,100
25	Nutrition education--FTEs	2.0	33,062,900
26	Pathways to potential--FTEs	198.0	20,013,000
27	Public assistance field staff--FTEs	4,381.5	479,727,200
28	SSI advocacy legal services grant		325,000

1	<b>GROSS APPROPRIATION</b>		<b>\$ 677,386,100</b>
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from department of corrections	120,200	
5	IDG from department of education	7,551,700	
6	Federal revenues:		
7	Social security act, temporary assistance for		
8	needy families	68,642,900	
9	Capped federal revenues	52,916,800	
10	Total other federal revenues	263,831,900	
11	Special revenue funds:		
12	Local funds - donated funds	4,251,200	
13	Private funds - donated funds	9,795,000	
14	Private revenues	250,000	
15	<b>State general fund/general purpose</b>		<b>\$ 270,026,400</b>
16	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>		
17	Full-time equated classified positions	541.1	
18	Disability determination operations--FTEs	537.0	\$ 86,816,500
19	Retirement disability determination--FTEs	4.1	636,800
20	<b>GROSS APPROPRIATION</b>		<b>\$ 87,453,300</b>
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG from department of technology, management,		
24	and budget - office of retirement services	636,800	
25	Federal revenues:		
26	Total other federal revenues	85,169,400	
27	<b>State general fund/general purpose</b>		<b>\$ 1,647,100</b>

1	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM</b>		
2	<b>ADMINISTRATION AND SPECIAL PROJECTS</b>		
3	Full-time equated classified positions	96.4	
4	Behavioral health program administration--FTEs	76.0	\$ 47,826,100
5	Community substance use disorder prevention,		
6	education, and treatment--FTEs	0.0	78,050,700
7	Family support subsidy		14,349,500
8	Federal and other special projects		2,535,600
9	Gambling addiction--FTE	1.0	5,518,200
10	Mental health diversion council		2,243,000
11	Michigan child collaborative care		1,129,100
12	Office of recipient rights--FTEs	19.4	2,714,900
13	Opioid response activities		88,155,600
14	Protection and advocacy services support		194,400
15	<b>GROSS APPROPRIATION</b>		<b>\$ 242,717,100</b>
16	Appropriated from:		
17	Federal revenues:		
18	Social security act, temporary assistance for		
19	needy families		14,529,300
20	Total other federal revenues		161,436,600
21	Special revenue funds:		
22	Total private revenues		2,904,700
23	Total other state restricted revenues		23,769,300
24	<b>State general fund/general purpose</b>		<b>\$ 40,077,200</b>
25	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>		
26	Full-time equated classified positions	18.0	
27	Autism services		\$ 286,697,900

1	Behavioral health community supports and		
2	services--FTEs	6.0	13,372,500
3	Certified community behavioral health clinic		
4	demonstration		101,252,100
5	Civil service charges		297,500
6	Community mental health non-Medicaid services		125,578,200
7	Court-appointed guardian and conservator		
8	reimbursement		5,000,000
9	Federal mental health block grant--FTEs	5.0	20,611,800
10	Health homes--FTE	1.0	61,337,400
11	Healthy Michigan plan - behavioral health		583,086,100
12	Medicaid mental health services		2,975,893,900
13	Medicaid substance use disorder services		82,657,700
14	Multicultural integration funding		17,284,900
15	Nursing home PAS/ARR-OBRA--FTEs	6.0	13,833,400
16	State disability assistance program substance		
17	use disorder services		2,018,800
18	<b>GROSS APPROPRIATION</b>		<b>\$ 4,288,922,200</b>
19	Appropriated from:		
20	Federal revenues:		
21	Social security act, temporary assistance for		
22	needy families		421,000
23	Capped federal revenues		184,500
24	Total other federal revenues		2,888,887,600
25	Special revenue funds:		
26	Total local revenues		246,900
27	Total other state restricted revenues		45,764,800
28	<b>State general fund/general purpose</b>		<b>\$ 1,353,417,400</b>

1	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND</b>		
2	<b>FORENSIC MENTAL HEALTH SERVICES</b>		
3	Full-time equated classified positions	2,014.1	
4	Average population	770.0	
5	Caro Regional Mental Health Center -		
6	psychiatric hospital - adult--FTEs	389.7	\$ 40,225,500
7	Average population	145.0	
8	Center for forensic psychiatry--FTEs	561.4	90,481,600
9	Average population	240.0	
10	Developmental disabilities council and		
11	projects--FTEs	10.0	3,169,400
12	Gifts and bequests for patient living and		
13	treatment environment		1,000,000
14	Hawthorn Center - psychiatric hospital -		
15	children and adolescents--FTEs	226.7	33,178,300
16	Average population	55.0	
17	IDEA, federal special education		120,000
18	Kalamazoo Psychiatric Hospital - adult--FTEs	413.1	51,556,100
19	Average population	170.0	
20	Purchase of medical services for residents of		
21	hospitals and centers		445,600
22	Revenue recapture		750,100
23	Special maintenance		924,600
24	State hospital administration--FTEs	24.0	4,251,900
25	Walter P. Reuther Psychiatric Hospital - adult-		
26	-FTEs	389.2	64,613,000
27	Average population	160.0	
28	<b>GROSS APPROPRIATION</b>		<b>\$ 290,716,100</b>

1	Appropriated from:		
2	Federal revenues:		
3	Total other federal revenues		39,265,300
4	Special revenue funds:		
5	Total local revenues		19,562,400
6	Total private revenues		1,000,000
7	Total other state restricted revenues		12,722,200
8	<b>State general fund/general purpose</b>	<b>\$</b>	<b>218,166,200</b>
9	<b>Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND</b>		
10	<b>INITIATIVES</b>		
11	Full-time equated classified positions	31.9	
12	Bone marrow donor and blood bank programs	\$	750,000
13	Certificate of need program administration--		
14	FTEs	10.8	2,716,700
15	Michigan essential health provider		3,519,600
16	Minority health grants and contracts--FTEs	3.0	1,146,200
17	Nurse education and research program--FTEs	3.0	816,500
18	Policy and planning administration--FTEs	12.9	1,889,600
19	Primary care services--FTEs	2.2	3,702,500
20	Rural health services--FTEs	0.0	175,000
21	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>14,716,100</b>
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG from department of education		1,500
25	IDG from department of licensing and regulatory		
26	affairs		816,500
27	IDG from department of treasury, Michigan		
28	finance authority		117,700

1	Federal revenues:		
2	Social security act, temporary assistance for		
3	needy families		99,400
4	Capped federal revenues		8,300
5	Total other federal revenues		2,735,000
6	Special revenue funds:		
7	Total private revenues		864,700
8	Total other state restricted revenues		3,102,300
9	<b>State general fund/general purpose</b>	<b>\$</b>	<b>6,970,700</b>
10	<b>Sec. 114. EPIDEMIOLOGY, EMERGENCY MEDICAL</b>		
11	<b>SERVICES, AND LABORATORY</b>		
12	Full-time equated classified positions	322.0	
13	Bioterrorism preparedness--FTEs	42.4	\$ 29,481,900
14	Childhood lead program--FTEs	3.0	2,139,800
15	Emergency medical services program--FTEs	14.3	9,252,600
16	Epidemiology administration--FTEs	52.3	20,130,600
17	Healthy homes program--FTEs	15.5	29,364,400
18	Laboratory services--FTEs	97.4	28,417,900
19	Newborn screening follow-up and treatment		
20	services--FTEs	10.5	8,363,000
21	PFAS and environmental contamination response--		
22	FTEs	29.8	13,742,600
23	Vital records and health statistics--FTEs	56.8	9,026,100
24	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>149,918,900</b>
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from department of environment, Great		
28	Lakes, and energy		1,761,200

1	Federal revenues:		
2	Capped federal revenues		64,100
3	Total other federal revenues		70,895,300
4	Special revenue funds:		
5	Total private revenues		301,600
6	Total other state restricted revenues		30,919,500
7	<b>State general fund/general purpose</b>	<b>\$</b>	<b>45,977,200</b>
8	<b>Sec. 115. LOCAL HEALTH AND ADMINISTRATIVE</b>		
9	<b>SERVICES</b>		
10	Full-time equated classified positions	131.3	
11	AIDS prevention, testing, and care programs--		
12	FTEs	59.5	\$ 109,609,200
13	Cancer prevention and control program--FTEs	13.2	15,254,800
14	Chronic disease control and health promotion		
15	administration--FTEs	14.9	7,708,700
16	Diabetes and kidney program--FTEs	6.0	3,878,400
17	Essential local public health services		51,419,300
18	Implementation of 1993 PA 133, MCL 333.17015		20,000
19	Local health services--FTEs	0.0	8,284,300
20	Medicaid outreach cost reimbursement to local		
21	health departments		12,500,000
22	Public health administration--FTEs	4.0	1,801,000
23	Sexually transmitted disease control program--		
24	FTEs	20.0	8,496,800
25	Smoking prevention program--FTEs	7.7	3,442,800
26	Violence prevention--FTEs	6.0	12,608,600
27	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>235,023,900</b>
28	Appropriated from:		



1	Federal revenues:		
2	Total other federal revenues		87,059,600
3	Special revenue funds:		
4	Total local revenues		5,150,000
5	Total private revenues		75,661,900
6	Total other state restricted revenues		9,717,600
7	<b>State general fund/general purpose</b>	<b>\$</b>	<b>57,434,800</b>
8	<b>Sec. 116. FAMILY HEALTH SERVICES</b>		
9	Full-time equated classified positions	104.3	
10	Child and adolescent health care centers	\$	16,242,700
11	Dental programs--FTEs	1.6	10,759,800
12	Drinking water declaration of emergency		4,271,000
13	Family, maternal, and child health		
14	administration--FTEs	39.8	8,539,600
15	Family planning local agreements		8,810,700
16	Immunization program--FTEs	10.0	19,915,600
17	Local MCH services		7,018,100
18	Pregnancy prevention program		1,298,800
19	Prenatal care and premature birth avoidance		
20	grant		1,000,000
21	Prenatal care outreach and service delivery		
22	support--FTEs	7.9	35,951,000
23	Special projects		6,147,700
24	Sudden and unexpected infant death and		
25	suffocation prevention program		321,300
26	Women, infants, and children program		
27	administration and special projects--FTEs	45.0	19,547,400

1	Women, infants, and children program local		
2	agreements and food costs		231,285,000
3	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>371,108,700</b>
4	Appropriated from:		
5	Federal revenues:		
6	Total other federal revenues		227,457,700
7	Special revenue funds:		
8	Total local revenues		17,699,600
9	Total private revenues		64,541,300
10	Total other state restricted revenues		3,887,500
11	<b>State general fund/general purpose</b>	<b>\$</b>	<b>57,522,600</b>
12	<b>Sec. 117. CHILDREN'S SPECIAL HEALTH CARE</b>		
13	<b>SERVICES</b>		
14	Full-time equated classified positions	38.8	
15	Bequests for care and services--FTEs	2.8	\$ 2,087,100
16	Children's special health care services		
17	administration--FTEs	36.0	6,848,300
18	Medical care and treatment		280,080,000
19	Nonemergency medical transportation		801,200
20	Outreach and advocacy		5,510,000
21	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>295,326,600</b>
22	Appropriated from:		
23	Federal revenues:		
24	Total other federal revenues		155,069,300
25	Special revenue funds:		
26	Total private revenues		1,365,500
27	Total other state restricted revenues		4,848,200
28	<b>State general fund/general purpose</b>	<b>\$</b>	<b>134,043,600</b>

1	<b>Sec. 118. HEALTH AND AGING SERVICES</b>		
2	<b>ADMINISTRATION</b>		
3	Full-time equated classified positions	397.6	
4	Aging services administration--FTEs	27.1	7,410,100
5	Electronic health record incentive program	\$	8,000,000
6	Healthy Michigan plan administration--FTEs	20.0	14,657,200
7	Medical services administration--FTEs	350.5	80,599,600
8	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>110,666,900</b>
9	Appropriated from:		
10	Federal revenues:		
11	Total other federal revenues		74,535,400
12	Special revenue funds:		
13	Total local revenues		35,400
14	Total private revenues		1,512,000
15	Total other state restricted revenues		315,600
16	<b>State general fund/general purpose</b>	<b>\$</b>	<b>34,268,500</b>
17	<b>Sec. 119. HEALTH AND AGING SERVICES</b>		
18	Adult home help services	\$	489,631,700
19	Ambulance services		18,448,200
20	Auxiliary medical services		7,113,500
21	Community services		53,476,000
22	Dental clinic program		1,000,000
23	Dental services		396,343,200
24	Employment assistance		3,500,000
25	Federal Medicare pharmaceutical program		351,347,500
26	Health plan services		6,149,848,200
27	Healthy Michigan plan		5,193,756,900
28	Home health services		3,065,700

1	Hospice services	143,370,900
2	Hospital disproportionate share payments	45,000,000
3	Hospital services and therapy	791,973,900
4	Integrated care organizations	344,532,700
5	Long-term care services	1,933,089,200
6	Maternal and child health	35,100,000
7	Medicaid home- and community-based services	
8	waiver	454,139,600
9	Medicare premium payments	783,641,200
10	Nutrition services	48,054,200
11	Personal care services	7,179,700
12	Pharmaceutical services	305,072,500
13	Physician services	217,244,900
14	Program of all-inclusive care for the elderly	243,393,900
15	Respite care program	6,468,700
16	School-based services	135,680,000
17	Senior volunteer service programs	4,765,300
18	Special Medicaid reimbursement	333,762,400
19	Transportation	16,424,000
20	<b>GROSS APPROPRIATION</b>	<b>\$ 18,516,424,000</b>
21	Appropriated from:	
22	Federal revenues:	
23	Total other federal revenues	13,233,065,000
24	Special revenue funds:	
25	Total local revenues	57,931,800
26	Total private revenues	9,200,000
27	Michigan merit award trust fund	61,268,700
28	Total other state restricted revenues	2,693,566,400

1	<b>State general fund/general purpose</b>	\$	<b>2,461,392,100</b>
2	<b>Sec. 120. INFORMATION TECHNOLOGY</b>		
3	Bridges information system	\$	63,397,600
4	Child support automation		44,502,800
5	Comprehensive child welfare information system-		
6	-FTEs	0.0	3,096,300
7	Information technology services and projects		258,029,700
8	Michigan Medicaid information system--FTEs	0.0	116,715,300
9	Michigan statewide automated child welfare		
10	information system		21,542,100
11	Technology supporting integrated service		
12	delivery--FTEs	0.0	14,770,300
13	<b>GROSS APPROPRIATION</b>	\$	<b>522,054,100</b>
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	IDG from department of education		1,059,700
17	Federal revenues:		
18	Social security act, temporary assistance for		
19	needy families		24,471,900
20	Capped federal revenues		21,990,800
21	Total other federal revenues		342,643,500
22	Special revenue funds:		
23	Total private revenues		5,230,700
24	Total other state restricted revenues		578,300
25	<b>State general fund/general purpose</b>	\$	<b>126,079,200</b>
26	<b>Sec. 121. ONE-TIME APPROPRIATIONS</b>		
27	Alternative payment model statewide		
28	implementation	\$	100

1	ARP - eliminate health disparities	500,000
2	ARP - first responder and public safety staff	
3	mental health	2,500,000
4	ARP - permanent supportive housing	100
5	Alternative payment model pilot program	3,400,000
6	Community house capital grant	5,000,000
7	Crisis stabilization services and behavioral	
8	healthcare	5,000,000
9	Eliminate health disparities	100
10	Emergency homeless shelter repair and services	
11	grant	1,000,000
12	Foster youth transition program grant	1,500,000
13	Great Lakes recovery center	250,000
14	Healthy communities grant	1,000,000
15	Hospital improvement grant	6,600,000
16	Injury control intervention - traumatic brain	
17	injury	5,000,000
18	Jail diversion fund	10,000,000
19	Program of all-inclusive care for the elderly	
20	pandemic relief	31,000,000
21	Ride-to-work program	1,000,000
22	Rural firefighter equipment readiness	100
23	Rural independent primary care initiative	7,624,000
24	Senior living and healthcare expansion	100
25	Substance abuse community and school outreach	500,000
26	Supplemental payments to private child caring	
27	institutions	15,000,000

Upper Peninsula robotic spinal surgery capital	
cost grant	2,000,000
Pediatric hospital support grant	100
<b>GROSS APPROPRIATION</b>	<b>\$ 98,874,600</b>
Appropriated from:	
<b>Federal revenues:</b>	
Coronavirus state fiscal recovery fund	3,000,100
<b>State general fund/general purpose</b>	<b>\$ 95,874,500</b>

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

**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 2022-2023 is \$8,797,097,300.00 and state spending from state sources to be paid to local units of government for fiscal year 2022-2023 is \$1,898,568,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF HEALTH AND HUMAN SERVICES****CHILD SUPPORT ENFORCEMENT**

Child support incentive payments	\$ 10,857,300
Legal support contracts	200

**COMMUNITY SERVICES AND OUTREACH**

Crime victim grants administration services	395,300
Crime victim rights services grants	12,033,300

1	Domestic violence prevention and treatment	217,600
2	Homeless programs	9,200
3	Housing and support services	121,300
4	<b>CHILDREN'S SERVICES AGENCY - CHILD WELFARE</b>	
5	Adoption subsidies	25,400
6	Child care fund	152,649,000
7	Child care fund - indirect cost allotment	3,483,000
8	Child welfare licensing	120,000
9	Child welfare medical/psychiatric evaluations	20,800
10	Children's trust fund grants	24,200
11	Contractual services, supplies, and materials	156,200
12	Family preservation programs	311,500
13	Foster care payments	1,274,700
14	Strong families/safe children	73,800
15	Youth in transition	2,900
16	<b>CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE</b>	
17	Bay Pines Center	37,100
18	Community support services	103,300
19	Shawono Center	1,700
20	<b>PUBLIC ASSISTANCE</b>	
21	Emergency services local office allocations	765,600
22	Family independence program	1,100
23	Indigent burial	4,800
24	Michigan energy assistance program	216,100
25	State disability assistance payments	151,500
26	<b>FIELD OPERATIONS AND SUPPORT SERVICES</b>	
27	Contractual services, supplies, and materials	64,300
28	Employment and training support services	7,200



1	<b>DISABILITY DETERMINATION SERVICES</b>	
2	Disability determination operations	2,700
3	<b>BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND</b>	
4	<b>SPECIAL PROJECTS</b>	
5	Behavioral health program administration	599,800
6	Community substance use disorder prevention,	
7	education, and treatment	4,977,700
8	Gambling addiction	1,376,700
9	Mental health diversion council	202,200
10	<b>BEHAVIORAL HEALTH SERVICES</b>	
11	Autism services	100,084,100
12	Community mental health non-Medicaid services	127,888,900
13	Health homes	231,500
14	Healthy Michigan plan - behavioral health	69,732,000
15	Medicaid mental health services	1,163,193,500
16	Medicaid substance use disorder services	28,721,000
17	Multicultural integration funding	1,494,000
18	Nursing home PAS/ARR-OBRA	2,709,100
19	State disability assistance program substance	
20	use disorder services	1,788,900
21	<b>STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL</b>	
22	<b>HEALTH SERVICES</b>	
23	Caro Regional Mental Health Center -	
24	psychiatric hospital - adult	195,200
25	Center for forensic psychiatry	606,500
26	Hawthorn Center - psychiatric hospital -	
27	children and adolescents	60,600
28	Kalamazoo Psychiatric Hospital - adult	54,600

1	Walter P. Reuther Psychiatric Hospital - adult	52,100
2	<b>HEALTH AND HUMAN SERVICES POLICY AND</b>	
3	<b>INITIATIVES</b>	
4	Primary care services	98,000
5	<b>EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND</b>	
6	<b>LABORATORY</b>	
7	Epidemiology administration	285,100
8	Healthy homes program	1,333,200
9	<b>LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>	
10	AIDS prevention, testing, and care programs	2,416,200
11	Cancer prevention and control program	46,900
12	Essential local public health services	44,364,400
13	Implementation of 1993 PA 133, MCL 333.17015	400
14	Local health services	1,537,100
15	Sexually transmitted disease control program	505,100
16	Smoking prevention program	201,800
17	<b>FAMILY HEALTH SERVICES</b>	
18	Family planning local agreements	253,200
19	Immunization program	2,197,400
20	Pregnancy prevention program	28,100
21	Prenatal care outreach and service delivery	
22	support	4,967,400
23	<b>CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
24	Medical care and treatment	461,000
25	Outreach and advocacy	2,631,100
26	<b>HEALTH AND AGING SERVICES ADMINISTRATION</b>	
27	Aging and adult services administration	1,303,600
28	Community services	23,833,500

1	Nutrition services	13,031,400
2	Respite care program	5,632,700
3	Senior volunteer service programs	914,800
4	<b>HEALTH AND AGING SERVICES</b>	
5	Adult home help services	139,900
6	Ambulance services	516,600
7	Auxiliary medical services	1,300
8	Dental services	822,000
9	Healthy Michigan plan	850,200
10	Home health services	6,500
11	Hospice services	23,900
12	Hospital disproportionate share payments	19,900
13	Hospital services and therapy	2,736,300
14	Long-term care services	82,997,200
15	Medicaid home- and community-based services	
16	waiver	15,147,800
17	Personal care services	27,300
18	Pharmaceutical services	3,600
19	Physician services	2,015,400
20	Special Medicaid reimbursement	29,600
21	Transportation	88,800
22	<b>TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT</b>	<b>\$ 1,898,568,200</b>

23

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

27

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

28

(a) "AIDS" means acquired immunodeficiency syndrome.

29

(b) "CMHSP" means a community mental health services program

1 as that term is defined in section 100a of the mental health code,  
2 1974 PA 258, MCL 330.1100a.

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

5 (d) "Current fiscal year" means the fiscal year ending  
6 September 30, 2023.

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

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

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

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

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

17 (j) "FQHC" means federally qualified health center.

18 (k) "FTE" means full-time equated.

19 (l) "GME" means graduate medical education.

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

23 (n) "HEDIS" means health care effectiveness data and  
24 information set.

25 (o) "HMO" means health maintenance organization.

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

28 (q) "IDG" means interdepartmental grant.

29 (r) "MCH" means maternal and child health.

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

3 (t) "Medicare" means subchapter XVIII of the social security  
4 act, 42 USC 1395 to 1395III.

5 (u) "MiCAFE" means Michigan's coordinated access to food for  
6 the elderly.

7 (v) "MiChild" means the program described in section 1670 of  
8 this part.

9 (w) "MiSACWIS" means Michigan statewide automated child  
10 welfare information system.

11 (x) "PAS/ARR-OBRA" means the preadmission screening and annual  
12 resident review required under the omnibus budget reconciliation  
13 act of 1987, section 1919(e)(7) of the social security act, 42 USC  
14 1396r.

15 (y) "PFAS" means perfluoroalkyl and polyfluoroalkyl  
16 substances.

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

25 (aa) "Previous fiscal year" means the fiscal year ending  
26 September 30, 2022.

27 (bb) "Quarterly reports" means 4 reports shall be submitted to  
28 the required recipients by the following dates: February 1, April  
29 1, July 1, and September 30 of the current fiscal year.

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

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

6 (ee) "SSI" means supplemental security income.

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

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

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

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

16 (jj) "Title X" means subchapter VIII of the public health  
17 service act, 42 USC 300 to 300a-8, which establishes grants to  
18 states for family planning services.

19 Sec. 204. The department shall use the internet to fulfill the  
20 reporting requirements of this part. This requirement shall include  
21 transmission of reports via email to the recipients identified for  
22 each reporting requirement and it shall include placement of  
23 reports on an internet site.

24 Sec. 205. To the extent permissible under section 261 of the  
25 management and budget act, 1984 PA 431, MCL 18.1261, all of the  
26 following apply to funds appropriated in part 1:

27 (a) The funds must not be used for the purchase of foreign  
28 goods or services, or both, if competitively priced and of  
29 comparable quality American goods or services, or both, are

1 available.

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

5 (c) Preference must be given to goods or services, or both,  
6 that are manufactured or provided by Michigan businesses owned and  
7 operated by veterans, if they are competitively priced and of  
8 comparable quality.

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

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

26 (a) The dates of each travel occurrence.

27 (b) The transportation and related costs of each travel  
28 occurrence, including the proportion funded with state general  
29 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,  
2 and the proportion funded with other revenues.

3 Sec. 208. Funds appropriated in part 1 may be used by a  
4 principal executive department, state agency, or authority to hire  
5 a person to provide legal services that the attorney general has  
6 the responsibility or the discretion to provide. A principal  
7 executive department, state agency, or authority may request  
8 reimbursement from the office of the attorney general for costs  
9 incurred for the purposes of hiring outside counsel to provide  
10 legal services.

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

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

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

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

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



1 payment description.

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

4 (e) Job specifications and wage rates.

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

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

18 Sec. 214. Total authorized appropriations from all sources  
19 under part 1 for legacy costs for the current fiscal year are  
20 estimated at \$309,264,700.00. From this amount, total department  
21 appropriations for pension-related legacy costs are estimated at  
22 \$187,764,100.00. Total department appropriations for retiree health  
23 care legacy costs are estimated at \$121,500,600.00.

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

29 (a) A legislative objective of this part or of a bill or

1 amendment to a bill to amend the social welfare act, 1939 PA 280,  
2 MCL 400.1 to 400.119b, cannot be implemented because implementation  
3 would conflict with or violate federal regulations.

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

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

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

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

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

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

5           (a) Immunizations.

6           (b) Communicable disease control.

7           (c) Sexually transmitted disease control.

8           (d) Tuberculosis control.

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

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

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

17          (h) Prenatal care.

18          (2) By January 1 of the current fiscal year, the department  
19 shall report to the house and senate appropriations subcommittees  
20 on the department budget, the house and senate fiscal agencies, the  
21 house and senate policy offices, and the state budget office on the  
22 revisions to the list of basic health services, listed in  
23 subsection (1), and program statements that have been prepared and  
24 published as required under section 2311 of the public health code,  
25 1978 PA 368, MCL 333.2311.

26          Sec. 219. (1) The department may contract with the Michigan  
27 Public Health Institute for the design and implementation of  
28 projects and for other public health-related activities prescribed  
29 in section 2611 of the public health code, 1978 PA 368, MCL

1 333.2611. The department may develop a master agreement with the  
2 Michigan Public Health Institute to carry out these purposes for up  
3 to a 1-year period. The department shall report to the house and  
4 senate appropriations subcommittees on the department budget, the  
5 house and senate fiscal agencies, and the state budget director on  
6 a semiannual basis all of the following:

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

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

11 (c) The expected project duration.

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

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

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

27 Sec. 221. According to section 1b of the social welfare act,  
28 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
29 part as a time-limited addendum to the social welfare act, 1939 PA

1 280, MCL 400.1 to 400.119b.

2 Sec. 222. (1) The department shall provide written  
3 notification to the senate and house appropriations subcommittees  
4 on the department budget, the senate and house fiscal agencies, the  
5 senate and house policy offices, and the state budget office of any  
6 major policy changes at least 30 days before the implementation  
7 date of those policy changes.

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

11 (3) The department shall report by April 1 of the current  
12 fiscal year on each specific policy change made to implement a  
13 public act affecting the department that took effect during the  
14 prior calendar year to the senate and house appropriations  
15 committees, the senate and house appropriations subcommittees on  
16 the department budget, the joint committee on administrative rules,  
17 and the senate and house fiscal agencies.

18 (4) The department shall attach each policy bulletin issued  
19 during the prior calendar year to the report issued in subsection  
20 (3).

21 Sec. 223. The department may establish and collect fees for  
22 publications, videos and related materials, conferences, and  
23 workshops. Collected fees are appropriated when received and shall  
24 be used to offset expenditures to pay for printing and mailing  
25 costs of the publications, videos and related materials, and costs  
26 of the workshops and conferences. The department shall not collect  
27 fees under this section that exceed the cost of the expenditures.  
28 When collected fees are appropriated under this section in an  
29 amount that exceeds the current fiscal year appropriation, within

1 30 days the department shall notify the chairs of the house and  
2 senate appropriations subcommittees on the department budget, the  
3 house and senate fiscal agencies and policy offices, and the state  
4 budget director of that fact.

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

14 Sec. 225. (1) For providers and entities receiving funds from  
15 the appropriations in part 1, sanctions, suspensions, conditions  
16 for provisional license status, and other penalties shall not be  
17 more stringent for private service providers than for public  
18 entities performing equivalent or similar services.

19 (2) For services to be provided from the appropriations in  
20 part 1, both of the following apply:

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

26 (b) Private service providers or licensees without collective  
27 bargaining agreements shall not be subjected to additional  
28 requirements or conditions of licensure based on their lack of  
29 collective bargaining agreements.

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

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

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

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

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

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

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

1 collected under this section shall be deposited in the state  
2 general fund.

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

9 Sec. 229. From the \$370,000.00 of TANF revenue appropriated in  
10 part 1 for training and program support, the department shall  
11 extend the interagency agreement with the office of employment and  
12 training within the department of labor and economic opportunity  
13 for the duration of the current fiscal year, which concerns TANF  
14 funding to provide job readiness and welfare-to-work programming.  
15 \$10,000.00 of TANF revenue is appropriated in part 1 for the  
16 department to report the following specific outcome and performance  
17 measures to the senate and house appropriations subcommittees on  
18 the department budget, the senate and house appropriations  
19 subcommittees on general government, the senate and house fiscal  
20 agencies, the senate and house policy offices, and the state budget  
21 office by January 1 of the current fiscal year for the previous  
22 fiscal year:

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

25 (i) Direct services to recipients.

26 (ii) Administrative expenditures.

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

29 (i) The number and percentage who obtained employment through



1 Michigan Works!

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

4 (iii) Average TANF spending per recipient.

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

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

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

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

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

16 Sec. 230. By December 31 of the current fiscal year, the  
17 department shall report to the senate and house appropriations  
18 subcommittees on the department budget, the senate and house fiscal  
19 agencies and policy offices, and the state budget office on the  
20 status of the implementation of any noninflationary, noncaseload,  
21 programmatic funding increases in the current fiscal year from the  
22 previous fiscal year. The report shall confirm the implementation  
23 of already implemented funding increases and provide explanations  
24 for any planned implementation of funding increases that have not  
25 yet occurred. For any planned implementation of funding increases  
26 that have not yet occurred, the department shall provide an  
27 expected implementation date and the reasons for delayed  
28 implementation.

29 Sec. 231. (1) From the funds appropriated in part 1, the

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

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

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

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

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

1 increase.

2 (6) A direct care wage increase of \$2.35 per hour shall be  
3 provided for the current fiscal year to direct care workers  
4 employed by licensed adult foster care homes and licensed homes for  
5 the aged that provide Medicaid-funded personal care services who  
6 were not eligible for any direct care worker pay adjustment under  
7 any other subsection of this section. This funding shall include  
8 all costs incurred by the employer, including payroll taxes, due to  
9 the \$2.35 per hour increase.

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

17 (8) From the funds appropriated in part 1, a direct care wage  
18 increase of \$2.00 per hour shall be provided for the current fiscal  
19 year to frontline workers employed by private child caring  
20 institutions. This funding shall include all costs incurred by the  
21 employer, including payroll taxes, due to the \$2.00 per hour  
22 increase. As used in this section, a "child caring institution"  
23 means that term as defined in section 1 of 1973 PA 116, MCL  
24 722.111.

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

29 (10) Any payment enhancement above the hourly rate in effect

1 immediately before the wage increase is of no effect in determining  
2 any employee's average compensation as provided by any contract or  
3 other provision of law.

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

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

19 (13) The department shall report the information required to  
20 be reported according to subsection (12) to the senate and house  
21 appropriations subcommittees on the department budget, the senate  
22 and house fiscal agencies, the senate and house policy offices, and  
23 the state budget office by March 1 of the current fiscal year.

24 Sec. 232. (1) The department shall provide the approved  
25 spending plan for each line item receiving an appropriation in the  
26 current fiscal year to the senate and house appropriations  
27 subcommittees on the department budget and the senate and house  
28 fiscal agencies within 60 days after approval by the department but  
29 not later than January 15 of the current fiscal year. Compliance

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

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

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

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

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

16 Sec. 236. (1) From the funds appropriated in part 1, the  
17 department shall do all of the following:

18 (a) Report to the house and senate appropriations committees,  
19 the house and senate fiscal agencies, the house and senate policy  
20 offices, and the state budget office any amount of severance pay  
21 for a department director, deputy director, or other high-ranking  
22 department official not later than 14 days after a severance  
23 agreement with the director or official is signed. The name of the  
24 director or official and the amount of severance pay must be  
25 included in the report required by this subdivision.

26 (b) Maintain an internet website that posts any severance pay  
27 in excess of 6 weeks of wages, regardless of the position held by  
28 the former department employee receiving severance pay.

29 (c) By February 1, report to the house and senate

1 appropriations subcommittees on the department budget, the house  
2 and senate fiscal agencies, the house and senate policy offices,  
3 and the state budget office on the total amount of severance pay  
4 remitted to former department employees during the previous fiscal  
5 year and the total number of former department employees that were  
6 remitted severance pay during the previous fiscal year.

7 (2) As used in this section, "severance pay" means  
8 compensation that is both payable or paid upon the termination of  
9 employment and in addition to either wages or benefits earned  
10 during the course of employment or generally applicable retirement  
11 benefits.

12 Sec. 237. (1) Any department, agency, board, commission, or  
13 public officer that receives funding under part 1 shall not:

14 (a) Require as a condition of accessing any facility or  
15 receiving services that an individual provide proof that he or she  
16 has received a COVID-19 vaccine except as provided by federal law  
17 or as a condition of receiving federal Medicare or Medicaid  
18 funding.

19 (b) Produce, develop, issue, or require a COVID-19 vaccine  
20 passport.

21 (c) Develop a database or make any existing database publicly  
22 available to access an individual's COVID-19 vaccine status by any  
23 person, company, or governmental entity.

24 (d) Require as a condition of employment that an employee or  
25 official provide proof that he or she has received a COVID-19  
26 vaccine. This subdivision does not apply to any hospital,  
27 congregate care facility, or other medical facility or any  
28 hospital, congregate care facility, or other medical facility  
29 operated by a local subdivision that receives federal Medicare or

1 Medicaid funding.

2 (2) A department, agency, board, commission, or public officer  
3 may not subject any individual to any negative employment  
4 consequence, retaliation, or retribution because of that  
5 individual's COVID-19 vaccine status.

6 (3) Subsection (1) does not prohibit any person, department,  
7 agency, board, commission, or public officer from transmitting  
8 proof of an individual's COVID-19 vaccine status to any person,  
9 company, or governmental entity, so long as the individual provides  
10 affirmative consent.

11 (4) If a department, agency, board, commission, subdivision,  
12 or official or public officer is required to establish a vaccine  
13 policy due to a federal mandate, it must provide exemptions to any  
14 COVID-19 vaccine policy to the following individuals:

15 (a) An individual for whom a physician certifies that a COVID-  
16 19 vaccine is or may be detrimental to the individual's health or  
17 is not appropriate.

18 (b) An individual who provides a written statement to the  
19 effect that the requirements of the COVID-19 vaccine policy cannot  
20 be met because of religious convictions or other consistently held  
21 objection to immunization.

22 (5) As used in this section, "public officer" means a person  
23 appointed by the governor or another executive department official  
24 or an elected or appointed official of this state or a political  
25 subdivision of this state.

26 Sec. 239. For behavioral and physical health services provided  
27 through managed care or the fee-for-service program, the department  
28 shall require, for the nonfacility component of the reimbursement  
29 rate, at least the same reimbursement for that service, if that



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

4 Sec. 240. Appropriations in part 1 shall, to the extent  
5 possible by the department, not be expended until all existing work  
6 project authorization available for the same purposes is exhausted.

7 Sec. 241. By March 1 of the current fiscal year, the  
8 department shall report to the house and senate appropriations  
9 subcommittees on the department budget, the house and senate fiscal  
10 agencies, the house and senate policy offices, and the state budget  
11 director on total actual expenditures in the previous fiscal year  
12 for advertising and media outreach, including the purpose and  
13 amount by program or appropriation line-item.

14 Sec. 242. From the funds appropriated in part 1 for  
15 departmental administration and management, \$100,000.00 is  
16 allocated to produce a description of programs report for the  
17 current fiscal year by March 1 of the current fiscal year. The  
18 report shall be submitted to the senate and house appropriations  
19 committees, the senate and house fiscal agencies, and the senate  
20 and house policy offices. The report shall include the  
21 appropriation unit, the line-item name and number, the  
22 appropriation history, the program name, the program overview, the  
23 financing detail, and where applicable, the legal basis for the  
24 program and program effectiveness and outcomes.

25 Sec. 244. On a monthly basis, the department shall report to  
26 the senate and house appropriations subcommittees on the department  
27 budget, the senate and house fiscal agencies, and the state budget  
28 office on any line-item appropriation for which the department  
29 estimates total annual expenditures would exceed the funds

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

9       Sec. 245. From the funds appropriated in part 1, no funding  
10 for any purpose in part 1 other than to support this state's  
11 Medicaid program or Healthy Michigan Plan program, in the form of a  
12 grant, reimbursement, contract, or any other type of payment shall  
13 be provided to any organization, provider, facility, individual, or  
14 any type of entity that provides elective abortion services,  
15 abortion counseling, or abortion referrals, or subcontracts with an  
16 organization that provides elective abortion services, abortion  
17 counseling, or abortion referrals. Nothing in this section  
18 restricts a Medicaid recipient's ability to select a qualified  
19 medical provider of their choosing for Medicaid or Healthy Michigan  
20 Plan covered services.

21       Sec. 250. The director or a local health officer shall not  
22 issue or enforce any orders or other directives that require an  
23 individual in this state who is under the age of 18 to wear a face  
24 mask or face covering.

25       Sec. 251. From the funds appropriated in part 1 for  
26 departmental administration and support, the department must  
27 develop reports related to emergency orders involving an epidemic  
28 issued during the fiscal year ending on September 30, 2022. Within  
29 7 days after the issuance of any emergency order involving an

1 epidemic, a report under this section must be provided to the  
2 senate and house appropriations committees and the senate and house  
3 fiscal agencies, and posted publicly on the department's website. A  
4 report under this section must contain the following:

5 (a) An explanation of the nature and scope of the epidemic  
6 that the emergency order is intended to address.

7 (b) A description of each area of the state that the  
8 department has determined is threatened by the epidemic.

9 (c) If applicable, an explanation that contains the evidence  
10 relied upon to determine that a procedure established in the  
11 emergency order ensures the continuation of essential public health  
12 services or the enforcement of health laws.

13 (d) If applicable, an explanation that contains the evidence  
14 relied upon to determine that a prohibition on gathering contained  
15 in the emergency order is necessary to protect the public health.

16 (e) A list of primary experts, organizations, or sources not  
17 affiliated with the department that were relied upon to issue the  
18 emergency order and any corresponding expenditures by the  
19 department associated with any such experts, organizations, or  
20 sources.

21 (f) A list of primary state government personnel responsible  
22 for developing the emergency order.

23 (g) A description of what factors the department will consider  
24 when deciding to terminate or modify the order.

25 Sec. 252. The appropriations in part 1 for Healthy Michigan  
26 plan - behavioral health, Healthy Michigan plan administration, and  
27 Healthy Michigan plan are contingent on the provisions of the  
28 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were  
29 contained in 2013 PA 107 not being amended, repealed, or otherwise

1 altered to eliminate the Healthy Michigan plan. If that occurs,  
2 then, upon the effective date of the amendatory act that amends,  
3 repeals, or otherwise alters those provisions, the remaining funds  
4 in the Healthy Michigan plan - behavioral health, Healthy Michigan  
5 plan administration, and Healthy Michigan plan line items shall  
6 only be used to pay previously incurred costs and any remaining  
7 appropriations shall not be allotted to support those line items.

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

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

29       Sec. 264. The department shall not take disciplinary action

1 against an employee of the department in the state classified civil  
2 service for communicating with a member of the legislature or his  
3 or her staff, unless the communication is prohibited by law and the  
4 department is exercising its authority as provided by law.

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

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

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

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

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

21 Sec. 274. (1) The department, in collaboration with the state  
22 budget office, shall submit to the house and senate appropriations  
23 subcommittees on the department budget, the house and senate fiscal  
24 agencies, and the house and senate policy offices 1 week after the  
25 day the governor submits to the legislature the budget for the  
26 ensuing fiscal year a report on spending and revenue projections  
27 for each of the capped federal funds listed below. The report shall  
28 contain actual spending and revenue in the previous fiscal year,  
29 spending and revenue projections for the current fiscal year as

1 enacted, and spending and revenue projections within the executive  
2 budget proposal for the fiscal year beginning October 1, 2023 for  
3 each individual line item for the department budget. The report  
4 shall also include federal funds transferred to other departments.  
5 The capped federal funds shall include, but not be limited to, all  
6 of the following:

7 (a) TANF.

8 (b) Title XX social services block grant.

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

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

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

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

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

25 (a) Other departments.

26 (b) Local units of government.

27 (c) Private sources.

28 Sec. 275. (1) On a quarterly basis, the department, with the  
29 approval of the state budget director, is authorized to realign

1 sources between other federal, TANF, and capped federal financing  
2 authorizations in order to maximize federal revenues. This  
3 realignment of financing shall not produce a gross increase or  
4 decrease in the department's total individual line item  
5 authorizations, nor will it produce a net increase or decrease in  
6 total federal revenues, or a net increase in TANF authorization.

7 (2) On a quarterly basis the department shall report to the  
8 house and senate appropriations subcommittees on the department  
9 budget, the house and senate fiscal agencies, and the house and  
10 senate policy offices on the realignment of federal fund sources  
11 transacted to date in the current fiscal year under the authority  
12 of subsection (1), including the dates, line items, and amounts of  
13 the transactions. If, at the time a quarterly report is due, no  
14 transactions were made under subsection (1), then no report is  
15 required to be provided.

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

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

1 payroll taxes, and fringe benefits:

2 (a) FTE authorization.

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

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

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

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

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

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

22 (3) By September 30 of the current fiscal year, the department  
23 shall report to the house and senate appropriations subcommittees  
24 on the department budget, house and senate fiscal agencies, and  
25 state budget office on the rationale for all exceptions made to  
26 subsection (1) and the number of contracts terminated due to  
27 violations of subsection (1). If, at the time the report is due, no  
28 contracts were terminated due to violations of subsection (1) and  
29 no exceptions were made under subsection (2), then no report is



1 required to be provided.

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

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

11 Sec. 296. From the funds appropriated in part 1, the  
12 department to the extent permissible under section 8 of 1964 PA  
13 170, MCL 691.1408, is responsible for the necessary and reasonable  
14 attorney fees and costs incurred by private and independent legal  
15 counsel chosen by current and former classified and unclassified  
16 department employees in the defense of the employees in any state  
17 or federal lawsuit or investigation related to the water system in  
18 a city or community in which a declaration of emergency was issued  
19 because of drinking water contamination.

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

25 (a) The number of FTE positions in pay status by civil service  
26 classification.

27 (b) A comparison by line item of the number of FTE positions  
28 authorized from funds appropriated in part 1 to the actual number  
29 of FTE positions employed by the department at the end of the

1 reporting period.

2 (2) By March 1 of the current fiscal year, the department  
3 shall report to the senate and house appropriations committees, the  
4 senate and house appropriations subcommittees on the department  
5 budget, and the senate and house fiscal agencies the following  
6 information:

7 (a) Number of employees that were engaged in remote work in  
8 2022.

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

12 (c) Estimated net cost savings achieved by the department by  
13 remote work.

14 (d) Reduced use of office space associated with remote work.

15 Sec. 299. (1) No state department or agency shall issue a  
16 request for proposal (RFP) for a contract in excess of  
17 \$5,000,000.00, unless the department or agency has first considered  
18 issuing a request for information (RFI) or a request for  
19 qualification (RFQ) relative to that contract to better enable the  
20 department or agency to learn more about the market for the  
21 products or services that are the subject of the RFP. The  
22 department or agency shall notify the department of technology,  
23 management, and budget of the evaluation process used to determine  
24 if an RFI or RFQ was not necessary prior to issuing the RFP.

25 (2) From funds appropriated in part 1, for all RFPs issued  
26 during the current fiscal year where an existing service received  
27 proposals by multiple vendors, the department shall notify all  
28 vendors within 30 days after the RFP decision. The notification to  
29 vendors shall include details on the RFP process, including the

1     respective RFP scores and the respective cost for each vendor. If  
2     the highest scored RFP or lowest cost RFP does not receive the  
3     contract for an existing service offered by the department, the  
4     notification shall issue an explanation for the reasons that the  
5     highest scored RFP or lowest cost RFP did not receive the contract  
6     and detail the incremental cost target amount or service level  
7     required that was required to migrate the service to a new vendor.  
8     Additionally, the department shall include in the notification  
9     details as to why a cost or service difference is justifiable if  
10    the highest scored or lowest cost vendor does not receive the  
11    contract.

12         (3) The department shall submit to the senate and house  
13    appropriations subcommittees on the department budget, the senate  
14    and house fiscal agencies, the senate and house policy offices, and  
15    the state budget office by September 30 of the current fiscal year,  
16    a report that includes the following:

17         (a) A summary of all RFPs issued for a contract in excess of  
18    \$5,000,000.00 including whether an RFI or RFQ was considered, and  
19    whether an RFI or RFQ was issued before issuing the RFP or whether  
20    the issuance of an RFI or RFQ was determined not to be necessary.

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

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

27         (d) The cost or service threshold required by department  
28    policy that must be satisfied in order for an existing contract to  
29    be received by a new vendor.

**DEPARTMENTAL ADMINISTRATION AND SUPPORT**

Sec. 301. 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

1 the federal government is less than \$26,500,000.00, then the state  
2 and county share shall each be reduced by 50% of the shortfall.

3 Sec. 409. (1) If statewide retained child support collections  
4 exceed \$38,300,000.00, 75% of the amount in excess of  
5 \$38,300,000.00 is appropriated to legal support contracts. This  
6 excess appropriation may be distributed to eligible counties to  
7 supplement and not supplant county title IV-D funding.

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

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

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

27  
28 **COMMUNITY SERVICES AND OUTREACH**

29 Sec. 450. (1) From the funds appropriated in part 1 for school

1 success partnership program, the department shall allocate  
2 \$1,525,000.00 of TANF revenue by December 1 of the current fiscal  
3 year to support the Northeast Michigan Community Service Agency  
4 programming. The department shall require the following performance  
5 objectives be measured and reported for the duration of the state  
6 funding for the school success partnership program:

7 (a) Increasing school attendance and decreasing chronic  
8 absenteeism.

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

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

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

15 (2) By July 15 of the current fiscal year, the Northeast  
16 Michigan Community Service Agency shall provide reports to the  
17 department on the number of children and families served and the  
18 services that were provided to families to meet the performance  
19 objectives identified in this section. The department shall  
20 distribute the reports within 1 week after receipt to the senate  
21 and house appropriations subcommittees on the department budget,  
22 the senate and house fiscal agencies, the senate and house policy  
23 offices, and the state budget office.

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

29 Sec. 453. (1) From the funds appropriated in part 1 for

1 homeless programs, the department shall allocate funds to the  
2 emergency shelter program to support efforts of shelter providers  
3 to move homeless individuals and households into permanent housing  
4 as quickly as possible. Funding provided shall be equal to or  
5 exceed the amount a provider would receive if paid a \$19.00 per  
6 diem rate per bed night. Expected outcomes are increased shelter  
7 discharges to stable housing destinations, decreased recidivism  
8 rates for shelter clients, and a reduction in the average length of  
9 stay in emergency shelters.

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

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

21 Sec. 455. As a condition of receipt of federal TANF revenue,  
22 homeless shelters and human services agencies shall collaborate  
23 with the department to obtain necessary TANF eligibility  
24 information on families as soon as possible after admitting a  
25 family to the homeless shelter. From the funds appropriated in part  
26 1 for homeless programs, the department is authorized to make  
27 allocations of TANF revenue only to the homeless shelters and human  
28 services agencies that report necessary data to the department for  
29 the purpose of meeting TANF eligibility reporting requirements.

1 Homeless shelters or human services agencies that do not report  
2 necessary data to the department for the purpose of meeting TANF  
3 eligibility reporting requirements will not receive reimbursements  
4 that exceed the per diem amount they received in fiscal year 2000.  
5 The use of TANF revenue under this section is not an ongoing  
6 commitment of funding.

7 Sec. 456. From the funds appropriated in part 1 for homeless  
8 programs, the department shall allocate \$90,000.00 to reimburse  
9 public service agencies that provide documentation of paying birth  
10 certificate fees on behalf of category 1 homeless clients at county  
11 clerk's offices. Public service agencies shall be reimbursed for  
12 the cost of the birth certificate fees quarterly until this  
13 allocation is fully spent.

14 Sec. 457. (1) From the funds appropriated in part 1 for the  
15 uniform statewide sexual assault evidence kit tracking system, in  
16 accordance with the final report of the Michigan sexual assault  
17 evidence kit tracking and reporting commission, \$369,500.00 is  
18 allocated to contract for the administration of a uniform statewide  
19 sexual assault evidence kit tracking system, and 1.0 FTE to provide  
20 administrative support. The system shall include the following:

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

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

26 (c) Secure electronic access for victims.

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



1           (2) By March 30 of the current fiscal year, the department  
2 shall submit to the senate and house appropriations subcommittees  
3 on the department budget, the senate and house fiscal agencies, the  
4 senate and house policy offices, and the state budget office a  
5 status report on the administration of the uniform statewide sexual  
6 assault evidence kit tracking system, including operational status  
7 and any known issues regarding implementation.

8           (3) The sexual assault evidence tracking fund established in  
9 section 1451 of 2017 PA 158 shall continue to be maintained in the  
10 department of treasury. Money in the sexual assault evidence  
11 tracking fund at the close of a fiscal year remains in the sexual  
12 assault evidence tracking fund, does not revert to the general  
13 fund, and shall be appropriated as provided by law for the  
14 development and implementation of a uniform statewide sexual  
15 assault evidence kit tracking system as described in subsection  
16 (1).

17           (4) By September 30 of the current fiscal year, the department  
18 shall submit to the senate and house appropriations subcommittees  
19 on the department budget, the senate and house fiscal agencies, the  
20 senate and house policy offices, and the state budget office a  
21 report on the findings of the annual audit of the proper submission  
22 of sexual assault evidence kits as required by the sexual assault  
23 kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.  
24 The report must include, but is not limited to, a detailed county-  
25 by-county compilation of the number of sexual assault evidence kits  
26 that were properly submitted and the number that met or did not  
27 meet deadlines established in the sexual assault kit evidence  
28 submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of  
29 sexual assault evidence kits retrieved by law enforcement after

1 analysis, and the physical location of all released sexual assault  
2 evidence kits collected by health care providers in that year, as  
3 of the date of the annual draft report for each reporting agency.

4 Sec. 458. From the funds appropriated in part 1 for crime  
5 victim rights services grants, the department shall allocate  
6 \$2,000,000.00 from the crime victim's rights fund to maintain  
7 increased grant funding to support the further use of crime victim  
8 advocates in the criminal justice system. The purpose of the  
9 additional funding is to increase available grant funding for crime  
10 victim advocates to ensure that the advocates have the resources,  
11 training, and funding needed to respond to the physical and  
12 emotional needs of crime victims and to provide victims with the  
13 necessary services, information, and assistance in order to help  
14 them understand and participate in the criminal justice system and  
15 experience a measure of safety and security throughout the legal  
16 process.

17 Sec. 459. From the funds appropriated in part 1 for child  
18 advocacy centers, the department shall allocate \$1,000,000.00 to  
19 continue to provide additional funding to child advocacy centers to  
20 support the general operations of child advocacy centers. The  
21 purpose of this additional funding is to increase the amount of  
22 services provided to children and their families who are victims of  
23 abuse over the amount provided in the previous fiscal year. The  
24 additional funding directed in this section shall only be used for  
25 the purposes described under section 4 of the children's advocacy  
26 center act, 2008 PA 544, MCL 722.1044.

27 Sec. 460. From the funds appropriated in part 1 for kids' food  
28 basket, the department shall allocate \$525,000.00 to fund a project  
29 with a nonprofit, community-based organization organized under the

1 laws of this state that is exempt from federal income tax under  
2 section 501(c)(3) of the internal revenue code of 1986, 26 USC 501,  
3 and is located in a city with a population between 185,000 and  
4 200,000 according to the most recent federal decennial census and  
5 in a county with a population between 450,000 and 850,000 according  
6 to the most recent federal decennial census. The nonprofit  
7 organization recipient shall have an existing network of food  
8 delivery to low-income children to at least 3 counties in this  
9 state. The nonprofit organization shall use the funds for increased  
10 operational costs due to the coronavirus pandemic and for expansion  
11 of services to additional schools and communities. The funding may  
12 be used to cover employee costs, food and supplies, equipment, and  
13 other operational costs identified by the organization to support  
14 their mission and goals.

15       Sec. 462. (1) If funding becomes available from the funds  
16 appropriated in part 1 for crime victim justice assistance grants,  
17 the department shall allocate \$4,000,000.00 to implement 4 trauma  
18 recovery center program pilot projects. The pilot projects shall  
19 utilize the evidence-informed integrated trauma recovery services  
20 model developed by the University of California - San Francisco for  
21 service provision and shall be located in a city with a population  
22 between 52,700 and 53,300 according to the most recent federal  
23 decennial census, in a city with a population between 80,000 and  
24 82,000 according to the most recent federal decennial census, in a  
25 city with a population between 150,000 and 200,000 according to the  
26 most recent federal decennial census, and in a city with a  
27 population greater than 500,000 according to the most recent  
28 federal decennial census.

29       (2) It is the intent of the legislature that each pilot

1 project shall be designed to last at least 3 years.

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

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

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

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

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

14 (e) The administrative costs by pilot project site.

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

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

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

20 (4) The department may explore the development of a mobile  
21 trauma recovery center to provide services to rural areas in this  
22 state.

23 Sec. 463. From the funds appropriated in part 1 for runaway  
24 and homeless youth grants and domestic violence prevention and  
25 treatment, the department is authorized to make allocations of TANF  
26 revenue only to agencies that report necessary data to the  
27 department to meet TANF eligibility reporting requirements.

28 Sec. 464. From the funds appropriated in part 1 for diaper  
29 assistance payments, \$4,404,400.00 of TANF revenue must be

1 allocated as grants to diaper assistance programs, maternity homes,  
2 and other nonprofit agencies that distribute diapers free of charge  
3 and were established as of January 1, 2020. The funds must only be  
4 used to purchase diapering supplies for children under 36 months of  
5 age. Funds must be evenly distributed to all regions of this state  
6 as defined by the Michigan economic recovery council.

7 Sec. 465. (1) From the funds appropriated in part 1 for  
8 community services and outreach administration, \$2,950,000.00 must  
9 be distributed as provided in subsection (2). The amount  
10 distributed under this subsection must not exceed 50% of the total  
11 operating expenses of the program described in subsection (2), with  
12 the remaining 50% paid by local United Way organizations and other  
13 nonprofit organizations and foundations.

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

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

25 (4) Michigan 2-1-1 shall report annually to the department,  
26 the house and senate standing committees with primary jurisdiction  
27 over matters relating to human services and telecommunications on  
28 2-1-1 system performance, the senate and house appropriations  
29 subcommittees on the department budget, and the senate and house

1 fiscal agencies, including, but not limited to, call volume by  
2 health and human service needs and unmet needs identified through  
3 caller data and number and percentage of callers referred to public  
4 or private provider types.

5  
6 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

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

11 (2) By March 1 of the current fiscal year, the department  
12 shall provide to the senate and house appropriations subcommittees  
13 on the department budget, the senate and house fiscal agencies, the  
14 senate and house policy offices, and the state budget office a  
15 report describing the steps that will be taken to achieve the  
16 specific goal established in this section and on the percentage of  
17 children who currently are in foster care and who have been in  
18 foster care a total of 24 or more months.

19 Sec. 502. From the funds appropriated in part 1 for foster  
20 care, the department shall provide 50% reimbursement to Indian  
21 tribal governments for foster care expenditures for children who  
22 are under the jurisdiction of Indian tribal courts and who are not  
23 otherwise eligible for federal foster care cost sharing. The  
24 department may provide up to 100% reimbursement to Indian tribal  
25 governments that enter into a state-tribal title IV-E agreement  
26 allowed under this state's title IV-E state plan.

27 Sec. 503. (1) In accordance with the final report of the  
28 Michigan child welfare performance-based funding task force issued  
29 in response to section 503 of article X of 2013 PA 59, the

1 department shall continue to review, update, or develop actuarially  
2 sound case rates for necessary child welfare foster care case  
3 management services that achieve permanency by the department and  
4 private child placing agencies in a prospective payment system  
5 under a performance-based funding model.

6 (2) The department, in conjunction with members from both the  
7 house of representatives and senate, private child placing  
8 agencies, the courts, and counties shall continue to implement the  
9 recommendations that are described in the workgroup report that was  
10 provided in section 503 of article X of 2013 PA 59 to establish a  
11 performance-based funding model pilot program for public and  
12 private child welfare services providers. By July 1 of the current  
13 fiscal year, the department shall provide a report on the status of  
14 the performance-based contracting model to the senate and house  
15 appropriations subcommittees on the department budget, the senate  
16 and house standing committees on families and human services, and  
17 the senate and house fiscal agencies and policy offices.

18 Sec. 504. (1) From the funds appropriated in part 1, the  
19 department shall implement a 3-year master agreement with an option  
20 for 2 additional years with the West Michigan Partnership for  
21 Children Consortium to maintain the performance-based child welfare  
22 contracting program. The consortium shall consist of a network of  
23 affiliated child welfare service providers that will accept and  
24 comprehensively assess referred youth, assign cases to members of  
25 its continuum or leverage services from other entities, and make  
26 appropriate case management decisions during the duration of a  
27 case.

28 (2) As a condition for receiving the funding in part 1, the  
29 West Michigan Partnership of Children Consortium shall maintain a

1 contract agreement with the department that supports a global  
2 capitated payment model. The capitated payment amount shall be  
3 based on historical averages of the number of children served in  
4 Kent County and for the costs per foster care case. The West  
5 Michigan Partnership for Children Consortium is required to manage  
6 the cost of the child population it serves. The administrative  
7 portion of the contracted agreement must reflect the cumulative  
8 annual percentage change in the Detroit Consumer Price Index from  
9 the previous year. The capitated payment amount shall be reviewed  
10 and adjusted no less than twice during the current fiscal year or  
11 due to any policy changes implemented by the department that result  
12 in a volume of placements that differ in a statistically  
13 significant manner from the amount allocated in the annual contract  
14 between the department and the West Michigan Partnership for  
15 Children Consortium as determined by an independent actuary as well  
16 as to account for changes in case volumes and any statewide rate  
17 increases that are implemented. The contract agreement requires  
18 that the West Michigan Partnership for Children Consortium shall  
19 maintain the following stipulations and conditions:

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

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

27 (c) To cooperate with the department on an independent fiscal  
28 analysis of costs incurred and revenues received.

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



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

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

16 Sec. 506. From the funds appropriated in part 1 for attorney  
17 general contract, by March 1 of the current fiscal year, the  
18 department shall submit to the senate and house appropriations  
19 subcommittees on the department budget, the senate and house fiscal  
20 agencies, the senate and house policy offices, and the state budget  
21 office, a report on the juvenile justice system in any county in  
22 which funds appropriated in part 1 are expended. The report shall  
23 include, but not be limited to, the following:

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

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

1 the current fiscal year.

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

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

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

15 (2) For the funds described in subsection (1), the department  
16 shall ensure that administrative delays are avoided and the local  
17 grant recipients and direct service providers receive money in an  
18 expeditious manner. The department and board shall make available  
19 the children's trust fund contract funds to grantees within 31 days  
20 of the start date of the funded project.

21 Sec. 509. From the funds appropriated in part 1 for adoption  
22 support services, the department shall maintain the increase of  
23 contracted rates paid to private child placing agencies, including  
24 the \$23.00 per diem for all foster youth from the date of the case  
25 acceptance to the date of adoption petition acceptance or for 150  
26 days, whichever occurs sooner, for licensed child placing agencies  
27 contracted with the department to provide adoption services for  
28 foster youth. The per diem rate is to be separate from the outcome-  
29 based reimbursement system and must not be deducted from the total

1 reimbursement an agency receives for the applicable placement or  
2 finalization rate of an adoption.

3       Sec. 510. (1) From the funds appropriated in part 1 for child  
4 care fund and foster care payments, the department shall allocate  
5 all necessary funding to ensure that all private child caring  
6 institutions and privately operated child welfare and juvenile  
7 justice residential facilities operating as of September 30, 2022  
8 remain in operation with the necessary capacity for the potential  
9 placement of children into care. The department shall award funding  
10 to the facilities prospectively from the funds appropriated in part  
11 1 to ensure the necessary staffing, supplies, and other identified  
12 and allowable variable and fixed costs.

13       (2) The department shall provide reports on a monthly basis to  
14 the senate and house appropriations subcommittees on the department  
15 budget and the senate and house fiscal agencies and policy offices  
16 on the number of children awaiting placement in a child caring  
17 institution in this state. The report must include the number of  
18 children awaiting placement by child caring institution and must  
19 state the reason for the delay in placement including, but not  
20 limited to, facility bed shortages, placement process delays, or  
21 other reasons.

22       Sec. 511. (1) The department shall provide reports on a  
23 semiannual basis to the senate and house appropriations  
24 subcommittees on the department budget, the senate and house  
25 standing committees on families and human services, and the senate  
26 and house fiscal agencies and policy offices on the number and  
27 percentage of children who received timely physical and mental  
28 health examinations after entry into foster care. The goal of the  
29 program is that at least 85% of children shall have an initial

1 medical and mental health examination within 30 days after entry  
2 into foster care.

3 (2) From the funds appropriated in part 1 for foster care  
4 payments, the department shall allocate \$1,000,000.00 to increase  
5 access to physical and mental health providers for children in  
6 foster care with an emphasis on providing timely dental  
7 examinations for children located in rural areas of the state.

8 Sec. 512. By March 1 of the current fiscal year, the  
9 department shall report to the senate and house appropriations  
10 subcommittees on the department budget, the senate and house fiscal  
11 agencies, the senate and house policy offices, and the state budget  
12 office on the following information for cases of child abuse or  
13 child neglect from the previous fiscal year:

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

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

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

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

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

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

29 (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

1 722.621 to 722.638, and the number of cases classified under  
2 category I or category II and the number of cases classified under  
3 category III, category IV, or category V.

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

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

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

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

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

27 (b) New policies related to children's protective services  
28 including, but not limited to, major policy changes and court  
29 decisions affecting the children's protective services system

1 during the immediately preceding 12-month period.

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

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

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

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

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

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

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

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

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

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

28 Sec. 516. From funds appropriated in part 1 for child care  
29 fund, the administrative or indirect cost payment equal to 10% of a

1 county's total monthly gross expenditures shall be distributed to  
2 the county on a monthly basis and a county is not required to  
3 submit documentation to the department for any of the expenditures  
4 that are covered under the 10% payment as described in section  
5 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL  
6 400.117a.

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

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

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



1 living.

2 Sec. 521. (1) From the funds appropriated in part 1 for child  
3 care fund - indirect cost allotment, the department shall allocate  
4 \$3,500,000.00 to counties and tribal governments that receive  
5 reimbursements in part 1 from child care fund.

6 (2) The amount described in subsection (1) shall be  
7 distributed to each county or tribal government in the same  
8 proportion as indirect cost allotments are provided to counties in  
9 the manner described in section 117a of the social welfare act,  
10 1939 PA 280, MCL 400.117a.

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

19 (2) On a semiannual basis, the department shall provide a  
20 report to the senate and house appropriations subcommittees on the  
21 department budget, the senate and house fiscal agencies, the senate  
22 and house policy offices, and the state budget office that includes  
23 the number of youths who received scholarships under this section  
24 and the amount of each scholarship, and the total amount of funds  
25 spent or encumbered in the current fiscal year.

26 Sec. 523. (1) By February 15 of the current fiscal year, the  
27 department shall submit to the senate and house appropriations  
28 subcommittees on the department budget, the senate and house fiscal  
29 agencies, the senate and house policy offices, and the state budget

1 office a report on the families first, family reunification, and  
2 families together building solutions family preservation programs.  
3 The report shall provide population and outcome data based on  
4 contractually required follow-up evaluations for families who  
5 received family preservation services and shall include information  
6 for each program on any innovations that may increase child safety  
7 and risk reduction.

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

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

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

24 Sec. 526. From the funds appropriated in part 1 for court-  
25 appointed special advocates, the department shall allocate  
26 \$1,000,000.00 to fund a project with a nonprofit, community-based  
27 organization organized under the laws of this state that are exempt  
28 from federal income tax under section 501(c)(3) of the internal  
29 revenue code of 1986, 26 USC 501, located in a charter township

1 with a population of between 18,000 and 19,000 according to the  
2 most recent federal decennial census that is located in a county  
3 with a population of between 600,000 and 700,000 according to the  
4 most recent federal decennial census. The nonprofit organization  
5 recipient shall have an existing network of affiliate programs  
6 operating in at least 25 counties in this state. The nonprofit  
7 organization shall use the funds to recruit, screen, train, and  
8 supervise volunteers who provide advocacy services on behalf of  
9 abused and neglected children.

10 Sec. 527. With the approval of the settlement monitor, for the  
11 purposes of calculating adoption worker caseloads for private child  
12 placing agencies, the department shall exclude the following case  
13 types:

14 (a) Cases in which there are multiple applicants as that term  
15 is defined in section 22(e) of chapter X of the probate code of  
16 1939, 1939 PA 288, MCL 710.22, also known as a competing party  
17 case, in which the case has a consent motion pending from  
18 Michigan's children's institute or the court for more than 30 days.

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

22 Sec. 528. From the funds appropriated in part 1 for child care  
23 fund, the department shall allocate \$2,366,700.00 to increase the  
24 annual basic grant to counties with a population of less than  
25 75,000 according to the most recent federal decennial census as  
26 described in section 117e of the social welfare act, 1939 PA 280,  
27 MCL 400.117e. The basic grant shall be increased from \$15,000.00  
28 per year to \$56,520.00 per year for eligible counties.

29 Sec. 529. From the funds appropriated in part 1 for family

1 preservation programs, the department shall maintain the total  
2 combined funding levels of the families first, family  
3 reunification, and families together building solutions family  
4 preservation programs at an amount not less than the amount  
5 provided as of September 30, 2021. For the current fiscal year as  
6 the department moves towards implementation of the federal Family  
7 First Prevention Services Act, Public Law 115-123, the funding  
8 available to serve families through the existing family  
9 preservation programs shall not be reduced.

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

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

23 Sec. 531. The department shall notify the house and senate  
24 appropriations subcommittees on the department budget, the house  
25 and senate fiscal agencies, and the house and senate policy offices  
26 of any changes to a child welfare master contract template,  
27 including the adoption master contract template, the independent  
28 living plus master contract template, the child placing agency  
29 foster care master contract template, and the residential foster

1 care juvenile justice master contract template, not less than 30  
2 days before the change takes effect.

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

9 Sec. 534. The department shall submit to the senate and house  
10 appropriations subcommittees on the department budget, the senate  
11 and house fiscal agencies, the senate and house policy offices, and  
12 the state budget office by March 1 of the current fiscal year a  
13 report on the adoption subsidies expenditures from the previous  
14 fiscal year. The report shall include, but is not limited to, the  
15 range of non-\$0.00 annual adoption support subsidy amounts, for  
16 both title IV-E eligible cases and state-funded cases, paid to  
17 adoptive families, the number of title IV-E and state-funded cases,  
18 the number of cases in which the adoption support subsidy request  
19 of adoptive parents for assistance was denied by the department,  
20 and the number of adoptive parents who requested a redetermination  
21 of adoption support subsidy.

22 Sec. 535. (1) From the funds appropriated in part 1 for foster  
23 care payments, the department shall allocate up to \$1,500,000.00 of  
24 private revenues from The New Foster Care Inc. to fund a 3-year  
25 culturally competent kinship placement, support, and licensing  
26 services pilot program in a county with a population between  
27 1,200,000 and 1,300,000 according to the most recent federal  
28 decennial census and a county with a population over 1,500,000  
29 according to the most recent federal decennial census based on the

1 work conducted by A Second Chance Inc. The goal of the pilot  
2 program is to increase the kinship licensure rate and reduce the  
3 average length of stay for children in foster care with the intent  
4 to expand the program statewide, contingent on legislative  
5 appropriations. Efforts to reach this goal shall include the  
6 following:

7 (a) Locate appropriate kinship family for out-of-home  
8 placement of children.

9 (b) Provide support to kinship care providers and facilitate  
10 connections to programs and services to assist them in meeting the  
11 needs of children.

12 (c) Assist kinship care providers in meeting state foster  
13 parent licensing requirements.

14 (d) Support parents to expedite permanency planning.

15 (2) Subject to part 1 appropriations and pursuant to an annual  
16 evaluation, the department through legislative appropriations shall  
17 reallocate any savings and revenue stemming from program services  
18 that result in a reduction in the length of stay in foster care for  
19 the children served by the program compared to the average and  
20 maximize federal funds associated with this pilot program.

21 (3) The agency selected to administer the pilot program will  
22 be selected with input from The New Foster Care, Inc. and approved  
23 by the executive director of the children's services agency.

24 Sec. 536. By March 1 of the current fiscal year, the  
25 department shall submit to the senate and house appropriations  
26 subcommittees on the department budget, the senate and house fiscal  
27 agencies, and the policy offices a report on the status of the  
28 department's planned and achieved implementation of the federal  
29 family first prevention services act, Public Law 115-123. The

1 report shall include, but not be limited to, an estimate of the 5-  
2 year spending plan for administrative and compliance costs, a  
3 summary of all historical expenditures made to date for  
4 implementation by line-item appropriation and program type,  
5 information regarding compliance with title IV-E prevention  
6 requirements, the status of statewide compliance with the qualified  
7 residential treatment program requirements, a summary of provider  
8 concerns with respect to requirements under the qualified  
9 residential treatment program as that term is defined in section 1  
10 of 1973 PA 116, MCL 722.111, a detailed methodology in determining  
11 any savings realized or estimated from a reduction in congregate  
12 care or residential placements, the department's conformity with  
13 federal model licensing standards, the department's plan for  
14 tracking and preventing child maltreatment deaths, and the  
15 department's plan for extending John H. Chafee foster care  
16 independence programs up to age 23.

17 Sec. 537. By March 1 of the current fiscal year, the  
18 department shall submit to the senate and house appropriations  
19 subcommittees on the department budget, the senate and house fiscal  
20 agencies, and the senate and house policy offices a report on the  
21 number of unlicensed relative providers with a relative placement  
22 denied a foster home license for not meeting the standards  
23 established for state licensing for foster care. The report shall  
24 also include the status of title IV-E claims for foster care  
25 maintenance payments and foster care administrative payments for  
26 licensed relative caregivers with placements.

27 Sec. 538. By October 1 of the current fiscal year, the  
28 department shall submit to the senate and house appropriations  
29 subcommittees on the department budget, the senate and house fiscal

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

15 Sec. 539. The department, in collaboration with child placing  
16 agencies, shall continue to comply with section 115o of the social  
17 welfare act, 1939 PA 280, MCL 400.115o. Department caseworkers  
18 responsible for preparing a recommendation to a court concerning a  
19 juvenile placement shall provide, as part of the recommendation,  
20 information regarding the requirements of section 115o of the  
21 social welfare act, 1939 PA 280, MCL 400.115o.

22 Sec. 540. If a physician or psychiatrist who is providing  
23 services to state or court wards placed in a residential facility  
24 submits a formal request to the department to change the  
25 psychotropic medication of a ward, the department shall, if the  
26 ward is a state ward, make a determination on the proposed change  
27 within 7 business days after the request or, if the ward is a  
28 temporary court ward, seek parental consent within 7 business days  
29 after the request. If parental consent is not provided within 7



1 business days, the department shall petition the court on the  
2 eighth business day.

3 Sec. 542. (1) The department shall develop strategies to use  
4 the input from court-appointed special advocates and foster care  
5 parents throughout case management and any legal proceedings for  
6 abused and neglected children in foster care.

7 (2) By September 30 of the current fiscal year, the department  
8 shall submit to the house and senate appropriations subcommittees  
9 on the department budget, the house and senate fiscal agencies, and  
10 the house and senate policy offices a report on the strategies  
11 developed by the department.

12 Sec. 543. The department shall develop a clear policy that  
13 caseworkers ensure that children who are victims of child abuse or  
14 child neglect have the ability either in the courtroom or in the  
15 judge's chambers to speak directly to, or be interviewed by, the  
16 judge or magistrate who is overseeing their case, in order to give  
17 children the opportunity to provide input into the legal  
18 proceedings.

19 Sec. 544. The department may require all foster care parents,  
20 caseworkers, and guardians ad litem to receive trauma-informed  
21 training.

22 Sec. 545. From the funds appropriated in part 1 for the child  
23 welfare institute, the department shall provide training that is  
24 consistent with the practices taught under therapeutic crisis  
25 intervention training to all employees responsible for the  
26 investigation of complaints and licensing determinations for child  
27 caring institutions and shall offer trauma support directly to all  
28 child welfare caseworkers to help deal with the effects of  
29 secondary trauma.

1           Sec. 546. (1) From the funds appropriated in part 1 for foster  
2 care payments and from child care fund, the department shall pay  
3 providers of general foster care, independent living, and trial  
4 reunification services not less than a \$55.20 administrative rate.

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

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

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

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

25           (2) The department shall report quarterly to the state budget  
26 office, the senate and house appropriations subcommittees on the  
27 department budget, the senate and house fiscal agencies, and the  
28 senate and house policy offices on the number of children enrolled  
29 in the guardianship assistance and foster care - children with

1 serious emotional disturbance waiver programs.

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

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

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

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

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

1           Sec. 553. It is the intent of the legislature that a child  
2 protective services caseworker shall not be allowed to place an  
3 individual on the child abuse and neglect central registry without  
4 prior court approval.

5           Sec. 554. From the funds appropriated in part 1 for foster  
6 care payments, the department shall allocate \$50,000.00 to a  
7 nonprofit organization organized under the laws of this state that  
8 is exempt from federal income tax under section 501(c)(3) of the  
9 internal revenue code of 1986, 26 USC 501, that currently has  
10 locations in 3 cities and operates on a 100% volunteer basis with a  
11 board of directors consisting of up to 15 members, and are a  
12 dedicated community of individuals that give their time, talent,  
13 and resources to provide the best quality shopping environment they  
14 can to local children in need and provide clothing, shoes, toys,  
15 linens, nursery furniture, strollers, car seats, school supplies,  
16 hygiene products, and safety equipment to local foster children and  
17 their families free of charge.

18          Sec. 555. The department shall explore the requirement that  
19 foster care parents caring for a foster child for whom a petition  
20 of adoption has been filed with the court shall continue to receive  
21 the regularly scheduled maintenance payments until the child is no  
22 longer in their care. By June 1 of the current fiscal year, the  
23 department shall report quarterly to the state budget office, the  
24 senate and house appropriations subcommittees on the department  
25 budget, the senate and house fiscal agencies, and the senate and  
26 house policy offices on the continuation of maintenance payments.  
27 If, at the time a report is due, there are no reportable items,  
28 then no report is required to be provided.

29          Sec. 556. From the funds appropriated in part 1 for child

1 welfare licensing, the department shall work to develop and  
2 implement a simpler and more streamlined process for the annual  
3 renewal of the license for family foster care homes, and shall  
4 explore the development of a simpler and more efficient version of  
5 the application form for renewal of the license for family foster  
6 care homes.

7 Sec. 557. If a vehicle that is owned by the state is available  
8 and not scheduled for use by other state workers, the department  
9 may consider it an allowable use of the vehicle for a child  
10 protective services caseworker or a foster care caseworker to drive  
11 it to foster home visits or to drive it to their own home if it  
12 would be helpful to the worker in conducting their work.

13 Sec. 558. From the funds appropriated in part 1 for child  
14 welfare institute, the department shall train private child placing  
15 agency staff in the pre-service training requirements for child  
16 welfare caseworkers and supervisors. All private child placing  
17 agency staff will be provided an opportunity to complete training  
18 at their private child placing agency facilities in a virtual  
19 format. A hybrid format that includes virtual and in-person  
20 instruction will also be available to all private child placing  
21 agency staff according to the preference of a given private child  
22 placing agency.

23 Sec. 559. (1) From the funds appropriated in part 1 for  
24 adoption support services, the department shall allocate  
25 \$250,000.00 to the Adoptive Family Support Network by December 1 of  
26 the current fiscal year to operate and expand its adoptive parent  
27 mentor program to provide a listening ear, knowledgeable guidance,  
28 and community connections to adoptive parents and children who were  
29 adopted in this state or another state.

1           (2) The Adoptive Family Support Network shall submit to the  
2 senate and house appropriations subcommittees on the department  
3 budget, the senate and house fiscal agencies, the senate and house  
4 policy offices, and the state budget office by March 1 of the  
5 current fiscal year a report on the program described in subsection  
6 (1), including, but not limited to, the number of cases served and  
7 the number of cases in which the program prevented an out-of-home  
8 placement.

9           Sec. 560. From funds appropriated in part 1 for foster care  
10 payments, the department shall allocate \$100,000.00 to reimburse  
11 children in foster care for the costs of extracurricular activities  
12 including, but not limited to, athletics, music, band, drama, and  
13 other enrichment activities.

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

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

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

1 caseworkers' control.

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

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

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

12 Sec. 567. The department shall submit to the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, the senate and house policy offices, and  
15 the state budget office by March 1 of the current fiscal year a  
16 report on transfer of medical passports for children in foster  
17 care, including the following:

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

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

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

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

1 date the court's order placing for adoption was entered.

2 Sec. 573. (1) From the funds appropriated in part 1 for foster  
3 care payments and child care fund, the department shall, if funds  
4 become available, pay providers of foster care services a per diem  
5 daily administrative rate for every case on a caseworker's caseload  
6 for the duration of a case from referral acceptance to the  
7 discharge of wardship.

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

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

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

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



1 and the number of grants issued.

2 Sec. 575. From the funds appropriated in part 1 for children's  
3 services administration, the department shall allocate \$200,000.00  
4 to provide support and coordinated services to the kinship  
5 caregiver advisory council. The responsibilities of the council may  
6 include all of the following:

7 (a) Establish a public awareness campaign to educate the  
8 public about kinship caregivers and the state's efforts to better  
9 serve kinship caregivers.

10 (b) Consult and coordinate with the kinship caregiver  
11 navigator program to collect aggregate data on individuals being  
12 served by the kinship caregiver navigator program, including  
13 information on what services these individuals need.

14 (c) Consult and collaborate with the provider of the kinship  
15 caregiver navigator program on the design and administration of  
16 that program.

17 (d) Establish, maintain, and update a list of local support  
18 groups and programs that provide services to kinship families.  
19 Devise a plan of action for engaging with the groups and programs  
20 on the list in order to obtain a better understanding of the issues  
21 facing kinship families.

22 (e) Develop methods to promote and improve collaboration  
23 between state, county, and local governments and agencies, and  
24 private stakeholders to obtain a broad understanding of the  
25 characteristics and prevalence of kinship caregiving, to improve  
26 service delivery, and to include these in the council's  
27 recommendations.

28 Sec. 578. The department shall explore the development and  
29 implementation of a foster care worker apprenticeship program for

1 college students majoring in social work or other human services  
2 field who are interested in working in child welfare. The goals of  
3 the program would be to expose students directly to foster care  
4 work and provide work experience to aid in the recruitment of  
5 future child welfare caseworkers, and to provide current  
6 caseworkers with apprentice support staff. By August 1 of the  
7 current fiscal year, the department shall submit to the house and  
8 senate appropriations subcommittees on the department budget, the  
9 house and senate fiscal agencies, and the house and senate policy  
10 offices a report on the department's recommendation for an  
11 apprenticeship program. It is the intent of the legislature that  
12 the department develop the program so that it can be implemented in  
13 the following year and that students in the apprenticeship program  
14 would receive payment for their services, if funding is made  
15 available.

16 Sec. 579. The department shall require caseworkers ensure a  
17 motion is filed with the court to request that children who are  
18 victims of child abuse or child neglect have court redetermination  
19 hearings more frequently than every 90 days when in the best  
20 interest of the child. The intent of this language is to decrease  
21 the time it will take for permanency to be finalized for the child.

22 Sec. 580. (1) From the funds appropriated in part 1 for child  
23 legal representation, the department shall allocate \$500,000.00 to  
24 implement 2 pilot projects to improve the quality of legal  
25 representation for children and parents in child protective  
26 hearings. The pilot projects must emphasize the reduction of  
27 caseloads for lawyer-guardians ad litem, more frequent engagement  
28 between the child and the families and the lawyer-guardians ad  
29 litem, timely permanency and the expedition of legal milestones in

1 cases, and elevated training requirements and increased  
2 compensation for lawyer-guardians ad litem.

3 (2) From the funding allocated in subsection (1), the  
4 department shall allocate \$350,000.00 for a child legal  
5 representation pilot project in the circuit court of a county with  
6 a population between 600,000 and 700,000 according to the most  
7 recent federal decennial census and allocate \$150,000.00 for a  
8 child legal representation pilot project in the circuit court of a  
9 county with a population between 100,000 and 105,000 according to  
10 the most recent federal decennial census.

11 Sec. 581. From the funds appropriated in part 1 for foster  
12 care payments, the department shall allocate \$50,000.00 for  
13 caseworkers to provide immediate assistance with urgent needs such  
14 as food, clothing, etc., for children upon removal from their home  
15 or other dangerous environment, including children who are victims  
16 of human trafficking. The department shall develop policies for the  
17 use and access to these funds. The department shall track the  
18 distribution of the funds and by June 1 of the current fiscal year  
19 shall submit to the house and senate appropriations subcommittees  
20 on the department budget, the house and senate fiscal agencies, and  
21 the house and senate policy offices a report on the number of funds  
22 distributed and the number of children impacted.

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

29 (a) The number and percentage of foster parents that dropped

1 out of the program in the previous fiscal year, the reasons the  
2 foster parents left the program, and how those figures compare to  
3 prior fiscal years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24           Sec. 593. (1) The department shall conduct an annual review in  
25 each county to determine if the county has adopted and implemented  
26 standard child abuse and child neglect investigation and interview  
27 protocols as required in section 8(6) of the child protection law,  
28 1975 PA 238, MCL 722.628.

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

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

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

19       Sec. 595. (1) Due to the exigent circumstances found in the  
20 department's children's protective services (CPS) program by the  
21 office of the auditor general (OAG) audit number 431-1285-16, from  
22 the funds appropriated in part 1, the department shall expend the  
23 funding for children's protective services - caseload staff in  
24 order to dedicate resources to CPS investigations. The department  
25 shall hire staff from the funds appropriated in part 1 for  
26 children's protective services - caseload staff for the department  
27 to come into compliance and sustain measured corrective action as  
28 determined by the OAG for OAG audit number 431-1285-16.

29       (2) From the funds appropriated in part 1 for foster care

1 services - caseload staff, the department shall not expend any  
2 funds on hiring foster care workers or licensing workers and shall  
3 not assume any direct supervisory responsibility of foster care  
4 cases unless 1 of the following conditions is met:

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

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

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

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

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

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

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

1 charges within 45 business days after a properly corrected  
2 submission by the county.

3  
4 **PUBLIC ASSISTANCE**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

27 (3) Except for an individual described in subsection (1)(c) or  
28 (d), an individual is not disabled for purposes of this section if  
29 his or her drug addiction or alcoholism is a contributing factor

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

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

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

25 Sec. 607. (1) The department's ability to satisfy  
26 appropriation deductions in part 1 for state disability  
27 assistance/supplemental security income recoveries and public  
28 assistance recoupment revenues shall not be limited to recoveries  
29 and accruals pertaining to state disability assistance, or family

1 independence assistance grant payments provided only in the current  
2 fiscal year, but may include revenues collected during the current  
3 year that are prior year related and not a part of the department's  
4 accrued entries.

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

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

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

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

1 maintaining or securing employment.

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

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

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

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

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

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

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

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

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

28 (d) The infant burial allowance is \$210.00.

29 (2) Reimbursement for a cremation permit fee of up to \$75.00

1 and for mileage at the standard rate will be made available for an  
2 eligible cremation. The reimbursements under this section shall  
3 take into consideration religious preferences that prohibit  
4 cremation.

5 (3) The department shall report to the senate and house of  
6 representatives appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies, the senate and house  
8 policy offices, and the state budget office by January 31 of the  
9 current fiscal year on burial services payments issued from the  
10 state emergency relief program during the previous fiscal year. The  
11 report shall include the number of payments by burial services  
12 category for the following:

- 13 (a) Fetus or infant under age 1 month.
- 14 (b) Burial with memorial service.
- 15 (c) Burial without memorial service.
- 16 (d) Cremation with memorial service.
- 17 (e) Cremation without memorial service.
- 18 (f) Transportation of a donated or unclaimed body being  
19 cremated.
- 20 (g) Cremation permit fee for an unclaimed body.
- 21 (h) Disposition of an unclaimed body.
- 22 (i) Payment where an irrevocable funeral agreement exists.

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

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

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

13           Sec. 618. By March 1 of the current fiscal year, the  
14 department shall report to the senate and house appropriations  
15 subcommittees on the department budget, the senate and house fiscal  
16 agencies, the senate and house policy offices, and the state budget  
17 office the quarterly number of supervised individuals who have  
18 absconded from supervision and whom a law enforcement agency, the  
19 department of corrections, or the department is actively seeking  
20 according to section 84 of the corrections code of 1953, 1953 PA  
21 232, MCL 791.284.

22           Sec. 619. The department shall not deny title IV-A assistance  
23 and food assistance benefits under 21 USC 862a to any individual  
24 who has been convicted of a felony that included the possession,  
25 use, or distribution of a controlled substance, for which the act  
26 that resulted in the conviction occurred after August 22, 1996, if  
27 the individual is not in violation of his or her probation or  
28 parole requirements.

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

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

6 (2) The department shall provide an annual report to the  
7 senate and house appropriations subcommittees on the department  
8 budget, the senate and house standing committees on families and  
9 human services, the senate and house fiscal agencies, the senate  
10 and house policy offices, and the state budget office on the  
11 average Medicaid eligibility standard of promptness for each of the  
12 required standards of promptness under subsection (1) and for  
13 medical review team reviews achieved statewide and at each local  
14 office by each of the 4 preceding quarters.

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

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

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

1 their bridge cards at many farmers' markets in the state. The  
2 department shall also notify recipients about the Double Up Food  
3 Bucks program that is administered by the Fair Food Network.  
4 Recipients shall receive information about the Double Up Food Bucks  
5 program, including information that when the recipient spends  
6 \$20.00 at participating farmers' markets through the program, the  
7 recipient can receive an additional \$20.00 to buy Michigan produce.

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

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

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



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

15 (2) If a fourth Michigan bridge card has been issued in a 12-  
16 month period, the department shall notify the household that they  
17 have reached the number of issued cards threshold. At their fifth  
18 and each subsequent card replacement request, a card will not be  
19 issued until the recipient has spoken directly to the local office  
20 district manager or county director. The district manager or county  
21 director may issue a new Michigan bridge card under their authority  
22 based on their assessment of the recipient's situation and  
23 explanation.

24 (3) As used in this section:

25 (a) "Food assistance trafficking" means the buying and selling  
26 of food assistance benefits for cash or items not authorized under  
27 the 2008 food and nutrition act, 7 USC 2036b.

28 (b) "Inappropriate use" means not used to meet a family's  
29 ongoing basic needs, including food, clothing, shelter, utilities,

1 household goods, personal care items, and general incidentals.

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

7 (2) The department shall provide semiannual reports, providing  
8 quarterly data, to the senate and house appropriations  
9 subcommittees on the department budget, the senate and house fiscal  
10 agencies and policy offices, and the state budget director on the  
11 number of cases referred to Partnership. Accountability. Training.  
12 Hope. (PATH), the current percentage of family independence program  
13 cases involved in PATH employment activities, an estimate of the  
14 current percentage of family independence program cases that meet  
15 federal work participation requirements on the whole, and an  
16 estimate of the current percentage of the family independence  
17 program cases that meet federal work participation requirements for  
18 those cases referred to PATH.

19 (3) The department shall submit to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, the senate and house policy offices, and  
22 the state budget office semiannual reports, providing quarterly  
23 data, that include all of the following:

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

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

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

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

6           (2) The department shall confirm the address provided by any  
7     individual seeking family independence program benefits or state  
8     disability assistance benefits.

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

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

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

21          (a) The number of applications received.

22          (b) The number of applications approved.

23          (c) The number of applications denied.

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

26          (e) The number of cases opened.

27          (f) The number of cases closed.

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

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

5 (3) The department shall, in quarterly reports, compile and  
6 make available on its website the following family independence  
7 program information:

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

10 (b) The number of new applicants who did not meet the  
11 requirements of the 10-day assessment period for PATH.

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

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

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

17 (f) The number of children ages 0-5 living in family  
18 independence program-sanctioned households.

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

25  
26 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

27 Sec. 701. Unless required from changes to federal or state law  
28 or at the request of a provider, the department shall not alter the  
29 terms of any signed contract with a private residential facility

1 serving children under state or court supervision without written  
2 consent from a representative of the private residential facility.

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

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

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

1 the department. The department shall notify a county within 30 days  
2 after approval that its service plan was approved.

3 (2) Counties must submit amendments to current fiscal year  
4 county service plans to the department no later than August 30.  
5 Counties must submit current fiscal year payable estimates to the  
6 department no later than September 15.

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

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

1           Sec. 715. (1) As a condition of receiving funds appropriated  
2 in part 1 for raise the age fund, by deadlines established and  
3 advised by the department, counties or tribal entities shall have  
4 an approved raise the age fund budget plan for the following fiscal  
5 year. Counties must submit the raise the age fund budget plan for  
6 the current fiscal year to the department by February 1 of the  
7 current fiscal year. The raise the age fund budget plan shall  
8 specifically identify the types of costs to be reimbursed,  
9 estimated costs for each item, and the total estimated cost to be  
10 reimbursed. The types of costs to be reimbursed must comply with  
11 the requirements of section 117i of the social welfare act, 1939 PA  
12 280, MCL 400.117i. \$500,000.00 of the raise the age fund shall be  
13 reserved for tribal entities. If total raise the age fund requests  
14 from tribal entities are less than \$500,000.00, the funding may be  
15 allocated to meet requests from counties. From the funds  
16 appropriated in part 1 for raise the age fund, each county and  
17 tribal entity eligible for reimbursement shall receive a minimum  
18 \$10,000.00 allocation from the raise the age fund.

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

24           (3) Counties and tribal entities must submit amendments to  
25 current fiscal year raise the age fund budget plans by deadlines  
26 established and advised by the department. Counties must submit  
27 current fiscal year payable estimates for raise the age funds to  
28 the department by deadlines established and advised by the  
29 department.

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

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

7 (b) Post-adjudication eligible youth: A youth who has been  
8 adjudicated for a status or criminal offense for which a petition  
9 was filed alleging commission of a status or criminal offense on or  
10 after his or her reaching the age of 17, but before reaching the  
11 age of 18.  
12

13 **FIELD OPERATIONS AND SUPPORT SERVICES**

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

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

27 Sec. 802. From the funds appropriated in part 1 for field  
28 staff travel, the department shall allocate up to \$100,000.00  
29 annually toward reimbursing the out-of-pocket costs of county board



1 members and county department directors to attend statewide  
2 meetings of the Michigan County Social Services Association.

3 Sec. 807. From the funds appropriated in part 1 for Elder Law  
4 of Michigan MiCAFE contract, the department shall allocate not less  
5 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this  
6 state's elderly population in participating in the food assistance  
7 program. Of the \$350,000.00 allocated under this section, the  
8 department shall use \$175,000.00, which are general fund/general  
9 purpose funds, as state matching funds for not less than  
10 \$175,000.00 in United States Department of Agriculture funding to  
11 provide outreach program activities, such as eligibility screening  
12 and information services, as part of a statewide food assistance  
13 hotline.

14 Sec. 808. By March 1 of the current fiscal year, the  
15 department shall provide a report to the senate and house  
16 appropriations subcommittees on the department budget, the senate  
17 and house fiscal agencies, the senate and house policy offices, and  
18 the state budget office on the nutrition education program. The  
19 report shall include requirements made by the agriculture  
20 improvement act of 2018, Public Law 115-334, such as how the  
21 department shall use an electronic reporting system to evaluate  
22 projects and an accounting of allowable state agency administrative  
23 costs. The report shall also include documentation of the steps the  
24 department shall take to ensure that projects and subgrantee  
25 programs are evidence-based, appropriated for, and meet the  
26 criteria for an eligible individual as that term is defined in  
27 section 2036a(a) of the food and nutrition act, 7 USC 2036a, and  
28 quantitative evidence that the programs contribute to a reduction  
29 in obesity or an increase in the consumption of healthy foods.

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

11 Sec. 809. (1) From the fund appropriated in part 1, the  
12 department shall allocate \$20,657,600.00 for the pathways to  
13 potential program. The purpose of the pathways to potential program  
14 is to reduce chronic absenteeism, increase graduation rate, and  
15 decrease the number of students who repeat grades for schools that  
16 are current or future participants in the pathways to potential  
17 program. Before any deployment of resources into a participant  
18 school, the department and the participant school shall establish  
19 performance objectives for each participant school based on a 2-  
20 year baseline prior to pathways to potential being established in  
21 the participant school and shall evaluate the progress made in the  
22 above categories from the established baseline. By March 1 of the  
23 current fiscal year, the department shall provide to the senate and  
24 house appropriations subcommittees on the department budget, the  
25 senate and house fiscal agencies, and the senate and house policy  
26 offices a report listing all participant schools, the number of  
27 staff assigned to each school by participant school, and the  
28 percentage of participating schools that achieved improved  
29 performance in each of the 3 outcomes listed above compared to the

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

11 (2) As used in this section, "baseline" means the initial set  
12 of data from the center for educational performance and information  
13 in the department of technology, management, and budget of the 3  
14 measured outcomes as described in subsection (1).

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

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

1           Sec. 826. (1) From the funds appropriated in part 1 for field  
2 policy and administration, not less than \$300,000.00 shall be  
3 allocated for the department to contract with the Prosecuting  
4 Attorneys Association of Michigan to provide the support and  
5 services necessary to increase the capability of the state's  
6 prosecutors, adult protective service system, and criminal justice  
7 system to effectively identify, investigate, and prosecute elder  
8 abuse and financial exploitation.

9           (2) By March 1 of the current fiscal year, the Prosecuting  
10 Attorneys Association of Michigan shall provide a report to the  
11 department on the efficacy of the contract. The department shall  
12 submit the report to the state budget office, the house and senate  
13 appropriations subcommittees on the department budget, the house  
14 and senate fiscal agencies, and the house and senate policy offices  
15 within 30 days after receiving the report from the Prosecuting  
16 Attorneys Association of Michigan.

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

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

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

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

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

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

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

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

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

1 client within 72 hours after a report is made to the department,  
2 and completing the investigation within 30 days after a report is  
3 made to the department.

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

19  
20 **DISABILITY DETERMINATION SERVICES**

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

26  
27 **BEHAVIORAL HEALTH SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

28 Sec. 901. The funds appropriated in part 1 are intended to  
29 support a system of comprehensive community mental health services

1 under the full authority and responsibility of local CMHSPs or  
2 PIHPs in accordance with the mental health code, 1974 PA 258, MCL  
3 330.1001 to 330.2106, the Medicaid provider manual, federal  
4 Medicaid waivers, and all other applicable federal and state laws.

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

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

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

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

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

1           Sec. 904. (1) By May 31 of the current fiscal year, the  
2     department shall provide a report on the CMHSPs, PIHPs, and  
3     designated regional entities for substance use disorder prevention  
4     and treatment to the members of the house and senate appropriations  
5     subcommittees on the department budget, the house and senate fiscal  
6     agencies, and the state budget director that includes the  
7     information required by this section.

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

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

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

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

28          (d) Data describing service outcomes that include, but are not  
29    limited to, an evaluation of consumer satisfaction, consumer



1 choice, and quality of life concerns including, but not limited to,  
2 housing and employment.

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

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

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

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

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

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

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

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

28 (a) The expenditures stratified by department-designated  
29 community mental health entity, by fund source, by subcontractor,

1 by population served, and by service type.

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

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

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

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

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

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

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

27 (3) The managing entity shall continue current efforts to  
28 collaborate on the delivery of services to those clients with  
29 mental illness and substance use disorder diagnoses with the goal

1 of providing services in an administratively efficient manner.

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

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

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

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

29 Sec. 912. The department shall contract directly with the

1 Salvation Army Harbor Light program, at an amount not less than the  
2 amount provided during the fiscal year ending September 30, 2020,  
3 to provide non-Medicaid substance use disorder services if the  
4 local coordinating agency or the department confirms the Salvation  
5 Army Harbor Light program meets the standard of care. The standard  
6 of care shall include, but is not limited to, utilization of the  
7 medication assisted treatment option.

8 Sec. 913. (1) From the funds appropriated in part 1 for  
9 behavioral health program administration, the department shall  
10 allocate \$1,025,000.00 for the autism navigator program. The  
11 department shall require any contractor receiving funds under this  
12 section to comply with performance-related metrics to maintain  
13 eligibility for funding. The performance-related metrics shall  
14 include, but not be limited to, all of the following:

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

17 (b) Each contractor shall demonstrate cost-effectiveness.

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

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

24 (2) The department shall require an annual report from any  
25 contractor receiving funding from this section. The annual report,  
26 due to the department 60 days following the end of the contract  
27 period, shall include specific information on services and programs  
28 provided, the client base to which the services and programs were  
29 provided, and the expenditures for those services. The department

1 shall provide the annual reports to the senate and house  
2 appropriations subcommittees on the department budget, the senate  
3 and house fiscal agencies, and the state budget office.

4 Sec. 914. By June 1 of the current fiscal year, the department  
5 shall submit a report to the house and senate appropriations  
6 subcommittees on the department budget, the house and senate fiscal  
7 agencies, the house and senate policy offices, and the state budget  
8 office on outcomes of the funds provided in part 1 to the Michigan  
9 Child Collaborative Care (MC3). The outcomes reported must include,  
10 but is not limited to, the number of same day phone consultations  
11 with primary care providers and the number of local resource  
12 recommendations made to primary care providers who are providing  
13 medical care to patients who need behavioral health services.

14 Sec. 915. From the funds appropriated in part 1 for community  
15 substance use disorder prevention, education, and treatment and  
16 opioid response activities, the department shall, to the extent  
17 possible, provide grants, pursuant to federal laws, rules, and  
18 regulations, to local public entities that provide substance use  
19 disorder services and to 1 private entity that has a statewide  
20 contract to provide community-based substance use disorder  
21 services.

22 Sec. 916. From the funds appropriated in part 1 for opioid  
23 response activities, the department shall allocate \$5,000,000.00 to  
24 a nonprofit organization organized under the laws of this state  
25 that is exempt from federal income tax under section 501(c)(3) of  
26 the internal revenue code of 1986, 26 USC 501, and with  
27 headquarters in a township with a population between 96,500 and  
28 101,000 within a county with a population between 700,000 and  
29 1,000,000, according to the most recent federal decennial census.

1 To be eligible to receive funding, the nonprofit organization must  
2 have a stated mission to offer community-based, compassionate,  
3 best-practice/evidence-based services to those suffering from  
4 addiction, as well as their loved ones, and to erase the stigma of  
5 addiction and instill compassion and hope.

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

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

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

26 Sec. 924. From the funds appropriated in part 1 for autism  
27 services, for the purposes of actuarially sound rate certification  
28 and approval for Medicaid behavioral health managed care programs,  
29 the department shall maintain a fee schedule for autism services

1 reimbursement rates for direct services. Expenditures used for rate  
2 setting shall not exceed those identified in the fee schedule. The  
3 rates for behavioral technicians shall not be less than \$52.00 per  
4 hour and not more than \$57.00 per hour.

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

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

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

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

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

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

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

26 (4) A state department or agency that provides, either  
27 directly or through a contract, community mental health services  
28 and supports must comply with the uniform auditing process and  
29 utilize the audit tool maintained by the department. All forms,

1 processes, and contracts used by the state that relate to the  
2 provision of community mental health services and supports must  
3 comply with the uniform auditing process.

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

10 Sec. 928. It is the intent of the legislature that any funds  
11 that lapse from the funds appropriated in part 1 for Medicaid  
12 mental health services shall be redistributed to individual CMHSPs  
13 as a reimbursement of local funds on a proportional basis to those  
14 CMHSPs whose local funds were used as state Medicaid match. By  
15 April 1 of the current fiscal year, the department shall report to  
16 the senate and house appropriations subcommittees on the department  
17 budget, the senate and house fiscal agencies, the senate and house  
18 policy offices, and the state budget office on the lapse by PIHP  
19 from the previous fiscal year and the projected lapse by PIHP in  
20 the current fiscal year.

21 Sec. 929. From the funds appropriated in part 1 for Michigan  
22 child collaborative care, the department shall allocate at least  
23 \$350,000.00 to address needs in a city in which a declaration of  
24 emergency was issued because of drinking water contamination.

25 Sec. 935. A county required under the provisions of the mental  
26 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
27 matching funds to a CMHSP for mental health services rendered to  
28 residents in its jurisdiction shall pay the matching funds in equal  
29 installments on not less than a quarterly basis throughout the



1     fiscal year, with the first payment being made by October 1 of the  
2     current fiscal year.

3             Sec. 940. (1) According to section 236 of the mental health  
4     code, 1974 PA 258, MCL 330.1236, the department shall review  
5     expenditures for each CMHSP to identify CMHSPs with projected  
6     allocation surpluses and to identify CMHSPs with projected  
7     allocation shortfalls. The department shall encourage the board of  
8     a CMHSP with a projected allocation surplus to concur with the  
9     department's recommendation to reallocate those funds to CMHSPs  
10    with projected allocation shortfalls.

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

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

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

29            Sec. 942. A CMHSP shall provide at least 30 days' notice

1 before reducing, terminating, or suspending services provided by a  
2 CMHSP to CMHSP clients, with the exception of services authorized  
3 by a physician that no longer meet established criteria for medical  
4 necessity.

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

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

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

18 (b) Require consultation with the client's evaluation  
19 diagnostician and PIHP to approve the client's ongoing therapy for  
20 3 years, unless the client's evaluation diagnostician recommended  
21 an evaluation before the 3 years or if a clinician on the treatment  
22 team recommended an evaluation for the client before the third  
23 year.

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

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

28 (ii) A physician with a subspecialty in developmental  
29 pediatrics, development-behavioral pediatrics, or a related

1 discipline.

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

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

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

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

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

18 (d) Require that a client whose initial diagnosis was  
19 performed by a diagnostician with master's level credentials have  
20 their diagnosis and treatment recommendations reviewed by a  
21 physician, psychiatric nurse practitioner, physician's assistant  
22 with training, experience, or expertise in autism spectrum  
23 disorders or behavioral health, or fully credentialed psychologist.

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

27 (f) Coordinate with the department of insurance and financial  
28 services on oversight for compliance with the Paul Wellstone and  
29 Pete Domenici mental health parity and addiction equity act of

1 2008, Public Law 110-343, as it relates to autism spectrum disorder  
2 services, to ensure appropriate cost sharing between public and  
3 private payers.

4 (g) Require that Medicaid eligibility be confirmed through  
5 prior evaluations conducted by physicians, psychiatric nurse  
6 practitioners, physician's assistant with training, experience, or  
7 expertise in autism spectrum disorders or behavioral health, or  
8 fully credentialed psychologists to the extent possible.

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

12 (3) By March 1 of the current fiscal year, the department  
13 shall report to the senate and house appropriations subcommittees  
14 on the department budget, the senate and house fiscal agencies, the  
15 senate and house policy offices, and the state budget office on  
16 total autism services spending broken down by PIHP and CMHSP for  
17 the previous fiscal year and current fiscal year and total  
18 administrative costs broken down by PIHP, CMHSP, and the type of  
19 administrative cost for the previous fiscal year and current fiscal  
20 year.

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

25 Sec. 964. By October 1 of the current fiscal year, the  
26 department shall provide the house and senate appropriations  
27 subcommittees on the department budget, the house and senate fiscal  
28 agencies, the house and senate policy offices, and the state budget  
29 office with the standardized fee schedule for Medicaid behavioral

1 health services and supports. The report shall also include the  
2 adequacy standards to be used in all contracts with PIHPs and  
3 CMHSPs. In the development of the standardized fee schedule for  
4 Medicaid behavioral health services and supports during the current  
5 fiscal year, the department must prioritize and support essential  
6 service providers and must develop a standardized fee schedule for  
7 revenue code 0204.

8 Sec. 965. The department shall explore requiring that CMHSPs  
9 reimburse medication assisted treatment providers no less than  
10 \$12.00 per dose, and reimburse drug screen collection at no less  
11 than \$12.00 per manual screen.

12 Sec. 970. The department shall maintain the policies in effect  
13 on October 1, 2018 for the federal home and community-based  
14 services rule as it relates to skill building assistance services.  
15 The skill building assistance services shall remain eligible for  
16 federal match until March 17, 2023 as stated in the CMS  
17 informational bulletin dated May 9, 2017 and extended in the CMS  
18 letter to state Medicaid directors on July 14, 2020. From the funds  
19 appropriated in part 1, the department shall continue to seek  
20 federal matching funds for skill building assistance services. As a  
21 condition of their contracts with the department, CMHSPs shall  
22 retain any federally approved skill building assistance services  
23 available as of October 1, 2018.

24 Sec. 974. The department and PIHPs shall allow an individual  
25 with an intellectual or developmental disability who receives  
26 supports and services from a CMHSP to instead receive supports and  
27 services from another provider if the individual shows that he or  
28 she is eligible and qualified to receive supports and services from  
29 another provider. Other providers may include, but are not limited

1 to, MIChoice and program of all-inclusive care for the elderly  
2 (PACE).

3 Sec. 977. From the funds appropriated in part 1 for community  
4 substance use disorder prevention, education, and treatment,  
5 \$600,000.00 is allocated as grants to high schools specifically  
6 designated for students recovering from a substance use disorder in  
7 accordance with section 273a of the mental health code, 1974 PA  
8 258, MCL 330.1273a.

9 Sec. 978. From the funds appropriated in part 1 for community  
10 substance use disorder prevention, education, and treatment, the  
11 department shall allocate \$1,200,000.00 as grants for recovery  
12 community organizations to offer or expand recovery support center  
13 services or recovery community center services to individuals  
14 seeking long-term recovery from substance use disorders in  
15 accordance with section 273b of the mental health code, 1974 PA  
16 258, MCL 330.1273b.

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

28 Sec. 995. (1) From the funds appropriated in part 1 for mental  
29 health diversion council, the department shall allocate

1 \$3,850,000.00 to continue to implement the jail diversion pilot  
2 programs intended to address the recommendations of the mental  
3 health diversion council.

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

9 Sec. 996. From the funds appropriated in part 1 for family  
10 support subsidy, the department shall make monthly payments of  
11 \$322.88 to the parents or legal guardians of children approved for  
12 the family support subsidy by a CMHSP.

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

17 Sec. 998. For distribution of state general funds to CMHSPs,  
18 if the department decides to use census data, the department shall  
19 use the most recent federal data from the United States Census  
20 Bureau.

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

26  
27 **BEHAVIORAL HEALTH SERVICES**

28 Sec. 1001. By December 31 of the current fiscal year, each  
29 CMHSP shall submit a report to the department that identifies

1 populations being served by the CMHSP broken down by program  
2 eligibility category. The report shall also include the percentage  
3 of the operational budget that is related to program eligibility  
4 enrollment. By February 15 of the current fiscal year, the  
5 department shall submit the report described in this section to the  
6 senate and house appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies, the senate and house  
8 policy offices, and the state budget office.

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

12       Sec. 1004. The department shall provide the senate and house  
13 appropriations subcommittees on the department budget, the senate  
14 and house fiscal agencies, and the state budget office any rebased  
15 formula changes to either Medicaid behavioral health services or  
16 non-Medicaid mental health services 90 days before implementation.  
17 The notification shall include a table showing the changes in  
18 funding allocation by PIHP for Medicaid behavioral health services  
19 or by CMHSP for non-Medicaid mental health services.

20       Sec. 1005. (1) From the funds appropriated in part 1 for  
21 health homes, the department shall maintain the number of  
22 behavioral health homes in PIHP regions 1, 2, and 8 and maintain  
23 the number of substance use disorder health homes in PIHP regions  
24 1, 2, 4, and 9. The department may expand the number of behavioral  
25 health homes in regions 6 and 7 and the number of substance use  
26 disorder health homes in regions 6, 7, and 10.

27       (2) On a quarterly basis, the department shall provide a  
28 report to the house and senate appropriation subcommittees on the  
29 department budget, the house and senate fiscal agencies, the house



1 and senate policy offices, and the state budget office on the  
2 number of individuals being served and expenditures incurred by  
3 each PIHP region by site.

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

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

18 (a) Work to reduce administration costs by ensuring that PIHP  
19 and CMHSP responsible functions are efficient in allowing optimal  
20 transition of dollars to those direct services considered most  
21 effective in assisting individuals served. Any consolidation of  
22 administrative functions must demonstrate, by independent analysis,  
23 a reduction in dollars spent on administration resulting in greater  
24 dollars spent on direct services. Savings resulting from increased  
25 efficiencies shall not be applied to PIHP and CMHSP net assets,  
26 internal service fund increases, building costs, increases in the  
27 number of PIHP and CMHSP personnel, or other areas not directly  
28 related to the delivery of improved services.

29 (b) Take an active role in managing mental health care by

1 ensuring consistent and high-quality service delivery throughout  
2 its network and promote a conflict-free care management  
3 environment.

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

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

9 Sec. 1010. The funds appropriated in part 1 for behavioral  
10 health community supports and services must be used to reduce  
11 waiting lists at state-operated hospitals and centers through cost-  
12 effective community-based and residential services, including, but  
13 not limited to, assertive community treatment (ACT), forensic  
14 assertive community treatment (FACT), crisis stabilization units in  
15 accordance with chapter 9A of the mental health code, 1974 PA 258,  
16 MCL 330.1971 to 330.1979, and psychiatric residential treatment  
17 facilities in accordance with section 137a of the mental health  
18 code, 1974 PA 258, MCL 330.1137a.

19 Sec. 1012. It is the intent of the legislature that the  
20 department pursue any and all federal Medicaid waivers to maximize  
21 the use of federal Medicaid reimbursements for substance use  
22 disorder services and treatments for justice-involved individuals.  
23 As part of the executive budget presentation for the fiscal year  
24 ending September 30, 2023 on behavioral health services to the  
25 house and senate appropriations subcommittees on the department  
26 budget, the department shall provide an update on the types of  
27 substance use disorder waivers submitted by the department, whether  
28 those waivers have been approved by the federal Centers for  
29 Medicare and Medicaid Services, and the steps the department will

1 take to request any and all federal Medicaid waivers to maximize  
2 the use of federal Medicaid reimbursements for substance use  
3 disorder services and treatments.

4 Sec. 1014. (1) From the funds appropriated in part 1 to  
5 agencies providing physical and behavioral health services to  
6 multicultural populations, the department shall award grants in  
7 accordance with the requirements of subsection (2). This state is  
8 not liable for any spending above the contract amount. The  
9 department shall not release funds until reporting requirements  
10 under section 1014 of article 6 of 2021 PA 87 are satisfied.

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

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

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

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

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

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

29 (f) Each contractor or subcontractor shall provide timely and

1 accurate reports regarding the number of clients served, units of  
2 service provision, and ability to meet their stated goals.

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

13 Sec. 1015. From the funds appropriated in part 1 for federal  
14 mental health block grant, the department shall, to the extent  
15 possible, provide grants, pursuant to federal laws, rules, and  
16 regulations, to local public entities that provide mental health  
17 services and to 1 private entity that has a statewide contract to  
18 provide community-based mental health services.

19 Sec. 1016. From the funds appropriated in part 1 for court-  
20 appointed guardian and conservator reimbursement, the department  
21 shall allocate \$5,000,000.00 to reimburse court-appointed public  
22 guardians for recipients who do not receive any other type of  
23 reimbursement. The department shall only reimburse the cost for  
24 reimbursement up to \$83.00 per month per court-appointed public  
25 guardian and conservator.

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

28 Sec. 1051. The department shall continue a revenue recapture  
29 project to generate additional revenues from third parties related

1 to cases that have been closed or are inactive. A portion of  
2 revenues collected through project efforts may be used for  
3 departmental costs and contractual fees associated with these  
4 retroactive collections and to improve ongoing departmental  
5 reimbursement management functions.

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

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

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

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

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

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

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

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

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

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

1 psychiatric facilities.

2 (c) The average number of individuals waiting to receive  
3 admission into the center for forensic psychiatry.

4 (d) The average number of individuals waiting to receive  
5 admission into the other state-operated hospitals and centers.

6 (e) The average wait time for individuals awaiting admission  
7 into the other state-operated hospitals and centers through the  
8 civil admissions process.

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

15 (g) The number of individuals denied admission into the center  
16 for forensic psychiatry.

17 (h) The number of individuals denied admission into the other  
18 state-operated hospitals and centers.

19 (2) By March 1 of the current fiscal year, the department  
20 shall report to the house and senate appropriations subcommittees  
21 on the department budget, the house and senate fiscal agencies, the  
22 house and senate policy offices, and the state budget office on the  
23 outcomes and performance measures in subsection (1).

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

1 limited to, the following:

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

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

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

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

19 Sec. 1062. By July 1 of the current fiscal year, the  
20 department shall provide a 5-year plan to address the need for  
21 adult and children's inpatient psychiatric beds to the house and  
22 senate appropriations subcommittees on the department budget, the  
23 house and senate fiscal agencies, the house and senate policy  
24 offices, and the state budget office. The report shall include  
25 recommendations for utilizing both public and public private  
26 partnership beds.

27 Sec. 1063. (1) From the funds appropriated in part 1 for  
28 Hawthorn Center - psychiatric hospital - children and adolescents,  
29 the department shall maintain a psychiatric transitional unit and



1 children's transition support team. These programs shall augment  
2 the continuum of behavioral health services for high-need youth and  
3 provide additional continuity of care and transition into  
4 supportive community-based services.

5 (2) Outcomes and performance measures for these programs  
6 include, but are not limited to, the following:

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

9 (b) The measured change in the Child and Adolescent Functional  
10 Assessment Scale for children served through these programs.

11  
12 **HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES**

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

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

26 Sec. 1143. From the funds appropriated in part 1 for primary  
27 care services, the department shall allocate no less than  
28 \$675,000.00 for island primary health care access and services  
29 including island clinics, in the following amounts:

1 (a) Beaver Island, \$250,000.00.

2 (b) Mackinac Island, \$250,000.00.

3 (c) Drummond Island, \$150,000.00.

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

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

11 Sec. 1146. From the funds appropriated in part 1 for bone  
12 marrow donor and blood bank programs, \$250,000.00 shall be  
13 allocated to Versiti Blood Center, the partner of the match  
14 registry of the national marrow donor program. The funds shall be  
15 used to offset ongoing tissue typing expenses associated with donor  
16 recruitment and collection services and to expand those services to  
17 better serve the citizens of this state.

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

24 Sec. 1148. From the funds appropriated in part 1 for policy  
25 and planning administration, \$100,000.00 is allocated for  
26 informational materials related to section 27(2)(a) of article I of  
27 the state constitution of 1963 regarding human embryo and embryonic  
28 stem cell research.

29 Sec. 1151. (1) The department shall coordinate with the

1 department of licensing and regulatory affairs, the department of  
2 the attorney general, all appropriate law enforcement agencies, and  
3 the Medicaid health plans to work with local substance use disorder  
4 agencies and addiction treatment providers to help inform Medicaid  
5 beneficiaries of all medically appropriate treatment options for  
6 opioid addiction when their treating physician stops prescribing  
7 prescription opioid medication for pain, and to address other  
8 appropriate recommendations of the prescription drug and opioid  
9 abuse task force outlined in its report of October 2015.

10 (2) By October 1 of the current fiscal year, the department  
11 shall submit a report to the senate and house appropriations  
12 subcommittees on the department budget, the senate and house fiscal  
13 agencies, the senate and house policy offices, and the state budget  
14 office on how the department is working with local substance use  
15 disorder agencies and addiction treatment providers to ensure that  
16 Medicaid beneficiaries are informed of all available and medically  
17 appropriate treatment options for opioid addiction when their  
18 treating physician stops prescribing prescription opioid medication  
19 for pain, and to address other appropriate recommendations of the  
20 task force. The report shall include any potential barriers to  
21 medication-assisted treatment, as recommended by the Michigan  
22 medication-assisted treatment guidelines, for Medicaid  
23 beneficiaries in both office-based opioid treatment and opioid  
24 treatment program facility settings.

25  
26 **EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY**

27 Sec. 1180. From the funds appropriated in part 1 for  
28 epidemiology administration and for childhood lead program, the  
29 department shall maintain a public health drinking water unit and

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

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

21 Sec. 1182. (1) From the funds appropriated in part 1 for  
22 healthy homes program, no less than \$7,291,000.00 of general  
23 fund/general purpose funds and \$18,259,000.00 of federal funds  
24 shall be allocated for lead abatement of homes.

25 (2) By April 1 of the current fiscal year, the department  
26 shall provide a report to the house and senate appropriations  
27 subcommittees on the department budget, the house and senate fiscal  
28 agencies, and the state budget office on the expenditures and  
29 activities undertaken by the lead abatement program in the previous

1 fiscal year from the funds appropriated in part 1 for the healthy  
2 homes program. The report shall include, but is not limited to, a  
3 funding allocation schedule, the expenditures by category of  
4 expenditure and by subcontractor, the revenues received, a  
5 description of program elements, the number of housing units abated  
6 of lead-based paint hazards, and a description of program  
7 accomplishments and progress.

8 Sec. 1183. The department shall not require a medical first  
9 response service to submit data for purposes of the Michigan  
10 emergency medical services information system if the medical first  
11 response service is located in a county with a population of less  
12 than 85,000 according to the most recent federal decennial census  
13 and is composed of only medical first responders who provide  
14 services without expecting or receiving money, goods, or services  
15 in return for providing those services. A medical first response  
16 service described in this section shall ensure that a medical first  
17 responder provides, in writing, at least all of the following  
18 information to an emergency medical technician, emergency medical  
19 technician specialist, or paramedic, arriving at the scene after  
20 the medical first responder:

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

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

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

28 Sec. 1184. (1) From the funds appropriated in part 1 for  
29 emergency medical services program, the department shall, in

1 coordination with the state emergency medical services coordination  
2 committee established under section 20915 of the public health  
3 code, 1978 PA 368, MCL 333.20915, medical control authorities, and  
4 other emergency medical services organizations, review, revise, and  
5 improve the process for the consideration, discussion,  
6 announcement, and implementation of any changes proposed by the  
7 department for emergency medical services system guidance,  
8 guidelines, or protocols.

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

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

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

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

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

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

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

7           Sec. 1186. (1) From the funds appropriated in part 1 for  
8 emergency medical services program, the department shall allocate  
9 \$3,000,000.00 to establish a statewide stroke and STEMI system of  
10 care for time-sensitive emergencies. This system must be integrated  
11 into the statewide trauma care system within the emergency medical  
12 services system and must include at least all of the following:

13           (a) The designation of facilities as stroke and STEMI  
14 facilities based on a verification that national certification or  
15 accreditation standards, as approved by the stroke advisory  
16 subcommittee and the STEMI advisory subcommittee as established  
17 under section 20910(1)(m) of the public health code, 1978 PA 368,  
18 MCL 333.20910, have been met.

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

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

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

29

**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 the 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.



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

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

7           (4) If a local health officer has an emergency order under  
8 section 2453 of the public health code, 1978 PA 368, MCL 333.2453,  
9 in effect as of October 1, 2022, the funds appropriated in part 1  
10 for essential local public health services may not be spent or  
11 otherwise distributed. This subsection does not apply if a county  
12 board of commissioners passes a nonbinding resolution by a record  
13 roll call vote to support any emergency orders the local health  
14 officer has in effect on October 1 of the current fiscal year.

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

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

25           (7) From the funds appropriated in part 1 for essential local  
26 public health services, each local public health department is  
27 allocated not less than the amount allocated to that local public  
28 health department during the previous fiscal year.

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

1 endowment fund corporation established under section 653 of the  
2 nonprofit health care corporation reform act, 1980 PA 350, MCL  
3 550.1653, to explore ways to fund and evaluate current and future  
4 policies and programs.

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

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

27 (2) By March 1 of the current fiscal year, the department  
28 shall provide a report to the house and senate appropriations  
29 subcommittees on the department budget, the house and senate fiscal

1 agencies, and the state budget office on actual expenditures in the  
2 previous fiscal year and planned spending in the current fiscal  
3 year of the funds described in subsection (1), including recipient  
4 entities, amount of allocation, general category of allocation, and  
5 detailed uses.

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

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

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

22 Sec. 1240. From the funds appropriated in part 1 for chronic  
23 disease control and health promotion administration, \$70,000.00 is  
24 allocated to support a rare disease advisory council and  
25 responsibilities of the council, which may include all of the  
26 following:

27 (a) Developing a list of rare diseases.

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

1 (c) Updating the list of rare diseases.

2 (d) Annually investigating and reporting to the legislature on  
3 1 rare disease on the list, and including legislative  
4 recommendations in the report.

5  
6 **FAMILY HEALTH SERVICES**

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

15 (a) Funding allocations.

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

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

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

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

26 Sec. 1303. The department shall not contract with an  
27 organization that provides elective abortions, abortion counseling,  
28 or abortion referrals, for services that are to be funded with  
29 state restricted or state general fund/general purpose funds

1 appropriated in part 1 for family planning local agreements. An  
2 organization under contract with the department shall not  
3 subcontract with an organization that provides elective abortions,  
4 abortion counseling, or abortion referrals, for services that are  
5 to be funded with state restricted or state general fund/general  
6 purpose funds appropriated in part 1 for family planning local  
7 agreements.

8 Sec. 1304. The department shall not use state restricted funds  
9 or state general funds, or allow grantees or subcontractors to use  
10 those funds, appropriated in part 1 in the pregnancy prevention  
11 program or family planning local agreements appropriation line  
12 items for abortion counseling, referrals, or services.

13 Sec. 1305. (1) From the funds appropriated in part 1 for  
14 family planning local agreements and the pregnancy prevention  
15 program, the department shall not contract with or award grants to  
16 an entity that engages in 1 or more of the activities described in  
17 section 1(1) of 2002 PA 360, MCL 333.1091, if the entity is located  
18 in a county or health district where family planning or pregnancy  
19 prevention services are provided by the county, the health  
20 district, or a qualified entity that does not engage in any of the  
21 activities described in section 1(1) of 2002 PA 360, MCL 333.1091.

22 (2) The department shall give priority to counties or health  
23 districts where no contracts or grants currently exist for family  
24 planning or pregnancy prevention services before contracting with  
25 or awarding grants to an entity that engages in 1 or more of the  
26 activities described in section 1(1) of 2002 PA 360, MCL 333.1091,  
27 if that entity is located in a county where family planning and  
28 pregnancy prevention services are provided by the county, the  
29 health district, or another qualified entity that does not engage

1 in the activities described in section 1(1) of 2002 PA 360, MCL  
2 333.1091.

3 Sec. 1306. (1) From the funds appropriated in part 1 for the  
4 drinking water declaration of emergency, the department shall  
5 allocate funds to address needs in a city in which a declaration of  
6 emergency was issued because of drinking water contamination. These  
7 funds may support, but are not limited to, the following  
8 activities:

9 (a) Nutrition assistance, nutritional and community education,  
10 food bank resources, and food inspections.

11 (b) Epidemiological analysis and case management of  
12 individuals at risk of elevated blood lead levels.

13 (c) Support for child and adolescent health centers,  
14 children's healthcare access program, and pathways to potential  
15 programming.

16 (d) Nursing services, breastfeeding education, evidence-based  
17 home visiting programs, intensive services, and outreach for  
18 children exposed to lead coordinated through local community mental  
19 health organizations.

20 (e) Department field operations costs.

21 (f) Lead poisoning surveillance, investigations, treatment,  
22 and abatement.

23 (g) Nutritional incentives provided to local residents through  
24 the double up food bucks expansion program.

25 (h) Genesee County health department food inspectors to  
26 perform water testing at local food service establishments.

27 (i) Transportation related to health care delivery.

28 (j) Senior initiatives.

29 (k) Lead abatement contractor workforce development.

1           (2) From the funds appropriated in part 1 for the drinking  
2 water declaration of emergency, the department shall allocate  
3 \$300,000.00 for Revive Community Health Center for health support  
4 services as the center pursues certification as a federally  
5 qualified health center.

6           (3) From the funds appropriated in part 1 for the drinking  
7 water declaration of emergency, the department shall allocate  
8 \$500,000.00 for rides to wellness through the Flint mass  
9 transportation authority.

10          Sec. 1308. From the funds appropriated in part 1 for prenatal  
11 care outreach and service delivery support, not less than  
12 \$500,000.00 of funding shall be allocated for evidence-based  
13 programs to reduce infant mortality including nurse family  
14 partnership programs. The funds shall be used for enhanced support  
15 and education to nursing teams or other teams of qualified health  
16 professionals, client recruitment in areas designated as  
17 underserved for obstetrical and gynecological services and other  
18 high-need communities, strategic planning to expand and sustain  
19 programs, and marketing and communications of programs to raise  
20 awareness, engage stakeholders, and recruit nurses.

21          Sec. 1309. Funds appropriated for educational and other  
22 programs and services primarily pertaining to family planning or  
23 reproductive health services, or both, in any line item in section  
24 116 of part 1 for family health services, shall be allocated by the  
25 department according to section 1 of 2002 PA 360, MCL 333.1091.

26          Sec. 1311. From the funds appropriated in part 1 for prenatal  
27 care outreach and service delivery support, not less than  
28 \$2,750,000.00 state general fund/general purpose funds shall be  
29 allocated for a rural home visit program. Equal consideration shall

1 be given to all eligible evidence-based providers in all regions in  
2 contracting for rural home visitation services.

3 Sec. 1312. From the funds appropriated in part 1 for prenatal  
4 care and premature birth avoidance grant, the department shall  
5 allocate \$1,000,000.00 as a grant to help fulfill contract  
6 obligations between the department and a federal Healthy Start  
7 Program located in a county with a population between 450,000 and  
8 850,000 according to the most recent federal decennial census. To  
9 be eligible to receive funding, the organization must be a  
10 partnership between various health agencies, and utilize a social  
11 impact bonding strategy approved by the department to enhance  
12 support to underserved populations for prenatal care and premature  
13 birth avoidance.

14 Sec. 1313. (1) The department shall continue developing an  
15 outreach program on fetal alcohol syndrome services, targeting  
16 health promotion, prevention, and intervention.

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

20 (3) By February 1 of the current fiscal year, the department  
21 shall provide a report to the house and senate appropriations  
22 subcommittees on the department budget, the house and senate fiscal  
23 agencies, and the state budget office on planned spending of  
24 appropriations within the department budget for fetal alcohol  
25 syndrome projects and services, including appropriation line item,  
26 agency or recipient entities, amount and purpose of allocation, and  
27 detailed uses. The report shall include a summary of outcomes  
28 accomplished by the funding investments and metrics used to  
29 determine outcomes, if available.



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

8           (a) Supporting access to care.

9           (b) Reducing and eliminating barriers to care.

10          (c) Supporting recommendations for best practices.

11          (d) Encouraging optimal prenatal habits such as prenatal  
12 medical visits, use of prenatal vitamins, and cessation of use of  
13 tobacco, alcohol, or drugs.

14          (e) Tracking of birth outcomes to study improvements in  
15 prevalence of neonatal substance exposure, fetal alcohol syndrome,  
16 and other preventable neonatal disease.

17          (f) Tracking of maternal increase in healthy behaviors  
18 following childbirth.

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

23           (2) By February 1 of the current fiscal year, the department  
24 shall report to the senate and house appropriations subcommittees  
25 on the department budget, the senate and house standing committees  
26 on health policy, the senate and house fiscal agencies, and the  
27 state budget office the number of individual patients treated,  
28 number of procedures performed, and approximate total market value  
29 of those procedures from the previous fiscal year.

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

5           Sec. 1317. (1) From the funds appropriated in part 1 for  
6 dental programs, \$6,250,000.00 of general fund/general purpose  
7 revenue and any associated federal match shall be distributed to  
8 local health departments who partner with a qualified nonprofit  
9 provider of dental services for the purpose of providing high-  
10 quality dental homes for seniors, children, adults enrolled in  
11 Medicaid, and individuals who are low-income and uninsured.

12           (2) In order to be considered a qualified nonprofit provider  
13 of dental services, the provider must demonstrate the following:

14           (a) An effective health insurance enrollment process for  
15 uninsured patients.

16           (b) An effective process of charging patients on a sliding  
17 scale based on the patient's ability to pay.

18           (c) Utilization of additional fund sources including, but not  
19 limited to, federal Medicaid matching funds.

20           (3) Providers shall report to the department by September 30  
21 of the current fiscal year on outcomes and performance measures for  
22 the program under this section including, but not limited to, the  
23 following:

24           (a) The number of uninsured patients who visited a  
25 participating dentist over the previous year, broken down between  
26 adults and children.

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

29           (c) A 5-year trend of the number of uninsured patients being

1 served, broken down between adults and children.

2 (d) The number of unique patient visits by center.

3 (e) The number of unique Medicaid or Healthy Michigan plan  
4 patients served broken down by center.

5 (f) The number of children, seniors, and veterans served  
6 broken down by center.

7 (g) The total value of services rendered by the organization  
8 broken down by center.

9 (4) Within 15 days after receipt of the report required in  
10 subsection (3), the department shall provide a copy of the report  
11 to the senate and house appropriations subcommittees on the  
12 department budget, the senate and house fiscal agencies, the senate  
13 and house policy offices, and the state budget office.

14 Sec. 1320. It is the intent of the legislature that funds  
15 appropriated in part 1 that may be expended for a public media  
16 campaign regarding publicly funded family planning or pregnancy  
17 prevention services shall not be used to communicate in that media  
18 campaign any message that implies, states, or can be interpreted to  
19 mean that abortion is a method of family planning or pregnancy  
20 prevention.

21 Sec. 1321. From the funds appropriated in part 1 for the  
22 Michigan model for health comprehensive health education curriculum  
23 in the family, maternal, and child health administration line item,  
24 the department may, in consultation with the department of  
25 education, the Michigan domestic and sexual violence prevention and  
26 treatment board, and the Michigan Coalition to End Domestic and  
27 Sexual Violence, redraft the curriculum for the "Growing Up &  
28 Staying Healthy" and "Healthy & Responsible Relationships" modules  
29 to include age-appropriate information about the importance of

1 consent, setting and respecting personal boundaries, and the  
2 prevention of child sexual abuse as outlined in section 1505 of the  
3 revised school code, 1976 PA 451, MCL 380.1505, and consistent with  
4 the recommendations and guidelines set by the task force on the  
5 prevention of sexual abuse of children created under section 12b of  
6 the child protection law, 1975 PA 238, MCL 722.632b, and the  
7 prevention of sexual assault and dating violence.

8 Sec. 1322. (1) The department shall provide a report by April  
9 15 of the current fiscal year to the house and senate  
10 appropriations subcommittees on the department budget, the house  
11 and senate fiscal agencies, the house and senate policy offices,  
12 and the state budget office on state immunization policy and  
13 practices. The report shall include all of the following items:

14 (a) A list of recommended vaccinations.

15 (b) The basis and rationale for inclusion of each listed item.

16 (c) The indicators, measures, and performance outcomes that  
17 document improvement in human health for each listed item.

18 (2) From the funds appropriated in part 1 for immunization  
19 program, \$50,000.00 shall be allocated for the purpose of  
20 publishing and printing the report described in subsection (1) in a  
21 summary format to be made available to the public as an  
22 informational brochure, provided free of charge through the  
23 department's health promotions clearinghouse to providers, groups,  
24 or individuals for free distribution.

25 Sec. 1341. The department shall utilize income eligibility and  
26 verification guidelines established by the Food and Nutrition  
27 Service agency of the United States Department of Agriculture in  
28 determining eligibility of individuals for the special supplemental  
29 nutrition program for women, infants, and children (WIC) as stated

1 in current WIC policy.

2 Sec. 1342. From the funds appropriated in part 1 for family,  
3 maternal, and child health administration, \$500,000.00 shall be  
4 allocated for a school children's healthy exercise program to  
5 promote and advance physical health for school children in  
6 kindergarten through grade 8. The department shall recommend model  
7 programs for sites to implement that incorporate evidence-based  
8 best practices. The department shall grant the funds appropriated  
9 in part 1 for before- and after-school programs. The department  
10 shall establish guidelines for program sites, which may include  
11 schools, community-based organizations, private facilities,  
12 recreation centers, or other similar sites. The program format  
13 shall encourage local determination of site activities and shall  
14 encourage local inclusion of youth in the decision-making regarding  
15 site activities. Program goals shall include children experiencing  
16 improved physical health and access to physical activity  
17 opportunities, the reduction of obesity, providing a safe place to  
18 play and exercise, and nutrition education. To be eligible to  
19 participate, program sites shall provide a 20% match to the state  
20 funding, which may be provided in full, or in part, by a  
21 corporation, foundation, or private partner. The department shall  
22 seek financial support from corporate, foundation, or other private  
23 partners for the program or for individual program sites.

24 Sec. 1343. From the funds appropriated in part 1 for dental  
25 programs, the department shall allocate \$1,760,000.00 of state and  
26 local funds plus any private contributions received to support the  
27 program to establish and maintain a dental oral assessment program  
28 to provide assessments to school children as provided in section  
29 9316 of the public health code, 1978 PA 368, MCL 333.9316.

1           Sec. 1347. The department shall not use state restricted funds  
2 or state general funds appropriated in part 1, or allow grantees or  
3 subcontractors to use those funds, for abortion counseling,  
4 referrals, or services, or for any activities regarding human  
5 cloning or research in which a human embryo or embryos are  
6 destroyed or discarded.

7           Sec. 1348. From the funds appropriated in part 1, the  
8 department shall submit a report by January 1 of the current fiscal  
9 year to the senate and house appropriations committees, the senate  
10 and house appropriations subcommittees on the department budget,  
11 the senate and house fiscal agencies, and the senate and house  
12 policy offices on any request for proposals issued by this state  
13 for the healthy moms healthy babies program and on any healthy moms  
14 healthy babies programs that are established.

15           Sec. 1349. Subject to federal approval, from the funds  
16 appropriated in part 1 for immunization program, the department  
17 shall allocate \$740,000.00 of general fund/general purpose plus any  
18 available work project funds and federal match through an  
19 administered contract with oversight from health and aging services  
20 administration and public health administration. The funds shall be  
21 used to support a statewide media campaign for improving this  
22 state's immunization rates.

23  
24   **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

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

26           (a) Provide special formulas for eligible clients with  
27 specified metabolic and allergic disorders.

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

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

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

5 (e) Provide mental health care for mental health needs that  
6 result from, or are a symptom of, the individual's qualifying  
7 medical condition.

8 (f) Provide medical care and treatment to eligible patients  
9 with sickle cell disease who are 21 years of age or older.

10 Sec. 1361. From the funds appropriated in part 1 for medical  
11 care and treatment, the department may spend those funds for the  
12 continued development and expansion of telemedicine capacity to  
13 allow families with children in the children's special health care  
14 services program to access specialty providers more readily and in  
15 a more timely manner. The department may spend funds to support  
16 chronic complex care management of children enrolled in the  
17 children's special health care services program to minimize  
18 hospitalizations and reduce costs to the program while improving  
19 outcomes and quality of life.

20  
21 **HEALTH AND AGING SERVICES ADMINISTRATION**

22 Sec. 1505. By March 1 of the current fiscal year, the  
23 department shall submit a report to the senate and house  
24 appropriations subcommittees on the department budget, the senate  
25 and house fiscal agencies, and the state budget office on the  
26 actual reimbursement savings and cost offsets that have resulted  
27 from the funds appropriated in part 1 for the office of inspector  
28 general and third party liability efforts in the previous fiscal  
29 year.

1           Sec. 1507. From the funds appropriated in part 1 for office of  
2   inspector general, the inspector general shall audit and recoup  
3   inappropriate or fraudulent payments from Medicaid managed care  
4   organizations to health care providers. Unless authorized by  
5   federal or state law, the department shall not fine, temporarily  
6   halt operations of, disenroll as a Medicaid provider, or terminate  
7   a managed care organization or health care provider from providing  
8   services due to the discovery of an inappropriate payment found  
9   during the course of an audit.

10          Sec. 1508. The department shall not use funds appropriated in  
11   part 1 to contract with any private company that has reached a  
12   settlement with this state resolving investigations into the  
13   company's role providing consulting services to manufacturers of  
14   opioids in connection with designing the marketing plans and  
15   programs that helped cause and contributed to the opioid crisis in  
16   this state.

17          Sec. 1509. Due to the circumstances found in the department's  
18   Medicaid non-emergency medical transportation (NEMT) services  
19   program by the office of the auditor general (OAG) audit number  
20   391-0715-20, the department shall report to the senate and house of  
21   representatives appropriations subcommittees on the department  
22   budget, the senate and house fiscal agencies, the senate and house  
23   policy offices, and the state budget office by March 1 of the  
24   current fiscal year on corrective actions taken to correct  
25   deficiencies identified in the audit. The report must include, but  
26   is not limited to, the following information:

27          (a) The results of periodic random samplings of NEMT broker  
28   records to ensure compliance with provider eligibility  
29   documentation requirements.



1 (b) Actions taken and improvements made as a result of the  
2 formal vendor correction action plan implemented between the  
3 department and the department of technology, management, and budget  
4 with emphasis on improvements made in on-time performance, medical  
5 needs form deficiencies, and efforts made for active and ongoing  
6 monitoring.

7 (c) The results of periodic random samplings of NEMT broker  
8 records to review documentation requirements with attention paid to  
9 trip logs, medical needs forms, and any other information used to  
10 support NEMT encounter claims.

11 (d) The results of periodic random samplings of Medicaid  
12 health plans to ensure that NEMT encounter data is complete and  
13 accurate and encounter claims are valid.

14 (e) The amount, if any, of monetary penalties or liquidated  
15 damages assessed due to insufficient NEMT claims monitoring  
16 procedures.

17 (f) The rationale and any funding limitations that prevent the  
18 department from establishing performance standards and collecting  
19 performance data for NEMT services for beneficiaries not covered  
20 through a Medicaid health plan contract or an NEMT broker.

21 Sec. 1510. Due to the circumstances found in the department's  
22 Medicaid and Children's Health Insurance Program (CHIP) eligibility  
23 determinations processes by the office of the auditor general (OAG)  
24 audit number 391-0710-19, the department shall report to the senate  
25 and house of representatives appropriations subcommittees on the  
26 department budget, the senate and house fiscal agencies, the senate  
27 and house policy offices, and the state budget office by March 1 of  
28 the current fiscal year on corrective actions taken to reduce  
29 improper payments to ineligible beneficiaries, to maintain proper

1 documentation and case files, and improvements made to the  
2 department's internal controls. The report must include, but is not  
3 limited to, the following information:

4 (a) The number of beneficiaries by type of assistance (TOA)  
5 group whose TOA group was subsequently changed after initial  
6 determination and the reasons initial classifications were  
7 incorrect in the previous fiscal year.

8 (b) The number of beneficiaries and the total amount of  
9 payments made that were ineligible for federal reimbursement, not  
10 due to a mistaken TOA category in the previous fiscal year.

11 (c) For the previous 3 audit cycles, the total amount and  
12 percentage of federal reimbursement identified as improper payments  
13 by the Federal Payment Error Rate Measurement audit.

14 (d) For each of the previous 5 fiscal years, the department's  
15 estimate of the net amount of federal reimbursement and state  
16 spending made in error.

17 (e) A list of all of the sources that the department uses to  
18 verify income for Medicaid and CHIP eligibility.

19 (f) A description of the training implemented for caseworkers  
20 to improve initial TOA eligibility determinations.

21 (g) The total number of beneficiaries in the previous fiscal  
22 year who received full healthcare coverage but did not have a valid  
23 Social Security number.

24 (h) A list of all changes made to ensure all Medicaid and CHIP  
25 beneficiaries have a valid Social Security number to receive full  
26 healthcare coverage.

27 (i) The total number of beneficiaries in the previous fiscal  
28 year who received full healthcare coverage but did not have an  
29 acceptable alien status.

1 (j) A list of all changes made to ensure all Medicaid and CHIP  
2 beneficiaries have an acceptable alien status to receive full  
3 healthcare coverage.

4 (k) Status update on the establishment of the Medicaid  
5 Eligibility Quality Assurance case review process to provide a  
6 timelier monitoring process.

7 Sec. 1511. On a monthly basis, the department shall work with  
8 the department of labor and economic opportunity to report to the  
9 senate and house appropriations subcommittees on the department  
10 budget, the senate and house fiscal agencies, the senate and house  
11 policy offices, and the state budget office on the utilization of  
12 workforce development programs by Healthy Michigan plan recipients  
13 through Michigan Works! The report shall include, but not be  
14 limited to, all of the following:

15 (a) The number of recipients currently receiving employment  
16 supports and services through workforce development programs.

17 (b) The total year-to-date number of recipients who have  
18 received employment supports and services through workforce  
19 development programs.

20 (c) The number of recipients who secured employment in this  
21 state after receiving employment supports and services through  
22 workforce development programs.

23 (d) A summary of employment supports and services provided to  
24 recipients through workforce development programs.

25 Sec. 1512. The updated Medicaid utilization and net cost  
26 report shall continue to separate nonclinical administrative costs  
27 from actual claims and encounter costs.

28 Sec. 1513. By September 30 of the current fiscal year, the  
29 department shall report to the senate and house appropriations

1 subcommittees on the department budget, the senate and house fiscal  
2 agencies, the senate and house policy offices, and the state budget  
3 office on the implementation of recommendations made by the  
4 workgroup required by section 1513 of 2019 PA 67. The report shall  
5 include, but is not limited to, the following:

6 (a) Updates on the recommendations being implemented.

7 (b) Updates on the recommendations not being implemented and  
8 barriers preventing implementation.

9 Sec. 1514. From the funds appropriated in part 1 for health  
10 and aging services administration, the department shall allocate  
11 \$300,000.00 general fund/general purpose revenue and any associated  
12 federal match to support a predictive modeling tool to improve  
13 provider billing accuracy and reduce fraud, waste, and abuse in the  
14 Medicaid program. The tool must provide a prepayment cost avoidance  
15 solution that uses statistical predictive modeling techniques to  
16 identify outlier claims.

17 Sec. 1515. A qualified job placement agency may request  
18 contact information from the department for Healthy Michigan plan  
19 recipients for the geographic region the agency services. This  
20 contact information shall not include personal health information  
21 or extensive personal identifying information. As used in this  
22 section, a "qualified job placement agency" means a regional  
23 Michigan Works! agency or another nonprofit, governmental, or  
24 quasi-governmental body that provides job placement assistance as  
25 designated by the department.

26 Sec. 1517. By July 1 of the current fiscal year, the  
27 department shall report to the house and senate appropriations  
28 subcommittees on the department budget, the house and senate fiscal  
29 agencies, the house and senate policy offices, and the state budget

1 office on the implementation status of a specialty Medicaid managed  
2 care health plan for children in foster care.

3 Sec. 1519. (1) By April 1 of the current fiscal year, the  
4 department shall require each region to report data to the aging  
5 and adult services agency and to the legislature on home-delivered  
6 meals waiting lists. The report must include data on all of the  
7 following:

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

9 (b) The recipient's inability to prepare his or her own meals  
10 safely.

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

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

14 (2) The data required in the report under subsection (1) shall  
15 be recorded only for individuals who have applied for participation  
16 in the home-delivered meals program and who are initially  
17 determined as likely to be eligible for home-delivered meals.

18  
19 **HEALTH AND AGING SERVICES**

20 Sec. 1601. The cost of remedial services incurred by residents  
21 of licensed adult foster care homes and licensed homes for the aged  
22 shall be used in determining financial eligibility for the  
23 medically needy. Remedial services include basic self-care and  
24 rehabilitation training for a resident.

25 Sec. 1602. The department may encourage the Food Bank Council  
26 of Michigan to collaborate directly with each area agency on aging  
27 and any other organizations that provide senior nutrition services  
28 to secure the food access of older adults.

29 Sec. 1604. The department shall provide to the senate and

1 house appropriations subcommittees on the department budget, senate  
2 and house fiscal agencies, and state budget director a report by  
3 March 30 of the current fiscal year that contains all of the  
4 following:

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

7 (b) Detailed expenditures by each area agency on aging by  
8 individual program and administration including both state-funded  
9 resources and locally funded resources.

10 Sec. 1605. The protected income level for Medicaid coverage  
11 determined pursuant to section 106(1)(b) *(iii)* of the social welfare  
12 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public  
13 assistance standard.

14 Sec. 1606. For the purpose of guardian and conservator  
15 charges, the department may deduct up to \$83.00 per month as an  
16 allowable expense against a recipient's income when determining  
17 medical services eligibility and patient pay amounts.

18 Sec. 1607. (1) An applicant for Medicaid, whose qualifying  
19 condition is pregnancy, shall immediately be presumed to be  
20 eligible for Medicaid coverage unless the preponderance of evidence  
21 in her application indicates otherwise. The applicant who is  
22 qualified as described in this subsection shall be allowed to  
23 select or remain with the Medicaid participating obstetrician of  
24 her choice.

25 (2) All qualifying applicants shall be entitled to receive all  
26 medically necessary obstetrical and prenatal care without  
27 preauthorization from a health plan. All claims submitted for  
28 payment for obstetrical and prenatal care shall be paid at the  
29 Medicaid fee-for-service rate in the event a contract does not

1 exist between the Medicaid participating obstetrical or prenatal  
2 care provider and the managed care plan. The applicant shall  
3 receive a listing of Medicaid physicians and managed care plans in  
4 the immediate vicinity of the applicant's residence.

5 (3) In the event that an applicant, presumed to be eligible  
6 under subsection (1), is subsequently found to be ineligible, a  
7 Medicaid physician or managed care plan that has been providing  
8 pregnancy services to an applicant under this section is entitled  
9 to reimbursement for those services until they are notified by the  
10 department that the applicant was found to be ineligible for  
11 Medicaid.

12 (4) If the preponderance of evidence in an application  
13 indicates that the applicant is not eligible for Medicaid, the  
14 department shall refer that applicant to the nearest public health  
15 clinic or similar entity as a potential source for receiving  
16 pregnancy-related services.

17 (5) The department shall develop an enrollment process for  
18 pregnant women covered under this section that facilitates the  
19 selection of a managed care plan at the time of application.

20 (6) The department shall mandate enrollment of women, whose  
21 qualifying condition for Medicaid is pregnancy, into Medicaid  
22 managed care plans.

23 (7) The department shall encourage physicians to provide  
24 women, whose qualifying condition for Medicaid is pregnancy, with a  
25 referral to a Medicaid participating dentist at the first  
26 pregnancy-related appointment.

27 Sec. 1608. From the funds appropriated in part 1 for community  
28 services, \$1,100,000.00 shall be allocated to area agencies on  
29 aging for locally determined needs.

1           Sec. 1610. The department shall coordinate with the department  
2 of licensing and regulatory affairs to ensure that, upon receipt of  
3 the order of suspension of a licensed adult foster care home, home  
4 for the aged, or nursing home, the department of licensing and  
5 regulatory affairs shall provide notice to the department, to the  
6 house and senate appropriations subcommittees on the department  
7 budget, and to the members of the house and senate that represent  
8 the legislative districts of the county in which the facility lies.

9           Sec. 1611. (1) For care provided to medical services  
10 recipients with other third-party sources of payment, medical  
11 services reimbursement shall not exceed, in combination with such  
12 other resources, including Medicare, those amounts established for  
13 medical services-only patients. The medical services payment rate  
14 shall be accepted as payment in full. Other than an approved  
15 medical services co-payment, no portion of a provider's charge  
16 shall be billed to the recipient or any person acting on behalf of  
17 the recipient. This section does not affect the level of payment  
18 from a third-party source other than the medical services program.  
19 The department shall require a nonenrolled provider to accept  
20 medical services payments as payment in full.

21           (2) Notwithstanding subsection (1), medical services  
22 reimbursement for hospital services provided to dual  
23 Medicare/medical services recipients with Medicare part B coverage  
24 only shall equal, when combined with payments for Medicare and  
25 other third-party resources, if any, those amounts established for  
26 medical services-only patients, including capital payments.

27           Sec. 1612. From the funds appropriated in part 1 for community  
28 services, \$40,000.00 shall be allocated to expand existing friendly  
29 reassurance and friendly caller programs through the area agencies



1 on aging. The purpose of these programs is to allow an older  
2 individual to voluntarily sign up to receive a daily or weekly call  
3 checking on the older individual's well-being and possible  
4 conversation with another individual. The program shall be  
5 available to all residents of this state age 60 or older and shall  
6 target isolated or homebound seniors to provide a check on mental  
7 health, physical health and wellness, and to address feelings of  
8 loneliness or depression.

9 Sec. 1615. (1) To minimize errors and overpayments, and to  
10 ensure the quality of actuarial rate setting of capitated rates,  
11 the department shall provide effective oversight and ensure the  
12 integrity of encounter claims submitted to the department by  
13 Medicaid health plans.

14 (2) The department may require Medicaid health plans to  
15 provide medical records to support claims data, upon request by the  
16 department. This subsection shall not require the disclosure of  
17 personal identifying information or any information that would be  
18 in violation of the health insurance portability and accountability  
19 act of 1996, Public Law 104-191.

20 (3) It is the intent of the legislature that the department  
21 perform annual internal audits of Medicaid claims provided by  
22 Medicaid health plans and report the findings to the house and  
23 senate appropriations subcommittees on the department budget, the  
24 house and senate fiscal agencies, the house and senate policy  
25 offices, and the state budget office. Internal audits performed  
26 under this subsection shall be conducted utilizing quantitative  
27 methodologies that provide for valid statistical results to  
28 include, but not be limited to, minimizing the impact of selection  
29 bias and insufficient sample sizes.

1 (4) If an internal audit performed in accordance with this  
2 section identifies discrepancies in the quality of actuarial rates,  
3 the department shall develop and implement actuarial procedures to  
4 reconcile encounter claims data and shall provide for a publicly  
5 available explanation of these procedures on the department's  
6 website.

7 Sec. 1616. (1) By March 1 of the current fiscal year, the  
8 department shall do all of the following:

9 (a) Seek any appropriate federal approvals to enroll and  
10 recognize community health workers as Medicaid providers and to  
11 authorize Medicaid reimbursement for community health worker  
12 services. The appropriate federal approval must allow for community  
13 health worker services on a statewide basis and must not be a  
14 limited geography waiver. The Medicaid reimbursement must cover all  
15 services commensurate to community health workers' scope of  
16 training and abilities as provided by evidence-based research and  
17 programs. The Medicaid reimbursement methodology may include fee-  
18 for-service reimbursement, value-based payment, or a combination of  
19 both fee-for-service reimbursement and value-based payment.

20 (b) Develop and test a value-based payment approach for  
21 community health workers, based on shared-risk, that provides  
22 incentives to Medicaid health plans and other health plans to use  
23 community health workers to improve the quality and cost of care  
24 and patient satisfaction.

25 (c) Work to pool Medicaid health plan and other department  
26 funding for community health workers to expand the number of  
27 community health workers who provide preventive services education  
28 and care coordination within community-based human services  
29 organizations, public health agencies, primary care providers,

1 hospitals, health care systems, and any other appropriate setting.

2 (d) Identify the ratio of community health workers to Medicaid  
3 health plan recipients that is optimal to meet the needs of  
4 Medicaid health plan recipients in each county or region in the  
5 state.

6 (e) Identify the ratio of community health workers to  
7 individuals that is optimal to meet the needs of high-risk  
8 individuals in each county or region in the state.

9 (2) By March 1 of the current fiscal year, the department  
10 shall report to the senate and house appropriations subcommittees  
11 on the department budget, the senate and house fiscal agencies, the  
12 senate and house policy offices, and the state budget office on the  
13 progress of meeting the requirements in subsection (1).

14 Sec. 1620. (1) For fee-for-service Medicaid claims, the  
15 professional dispensing fee for drugs indicated as specialty  
16 medications on the Michigan pharmaceutical products list is \$20.02  
17 or the pharmacy's submitted dispensing fee, whichever is less.

18 (2) For fee-for-service Medicaid claims, for drugs not  
19 indicated as specialty drugs on the Michigan pharmaceutical  
20 products list, the professional dispensing fee for medications is  
21 as follows:

22 (a) For medications indicated as preferred on the department's  
23 preferred drug list, \$10.80 or the pharmacy's submitted dispensing  
24 fee, whichever is less.

25 (b) For medications not on the department's preferred drug  
26 list, \$10.64 or the pharmacy's submitted dispensing fee, whichever  
27 is less.

28 (c) For medications indicated as nonpreferred on the  
29 department's preferred drug list, \$9.00 or the pharmacy's submitted

1 dispensing fee, whichever is less.

2 (3) The department shall require a prescription co-payment for  
3 Medicaid recipients not enrolled in the Healthy Michigan plan or  
4 with an income less than 100% of the federal poverty level of \$1.00  
5 for a generic drug or any drug indicated as preferred on the  
6 department's preferred drug list and \$3.00 for a brand-name drug  
7 not indicated as preferred on the department's preferred drug list,  
8 except as prohibited by federal or state law or regulation.

9 (4) The department shall require a prescription co-payment for  
10 Medicaid recipients enrolled in the Healthy Michigan plan with an  
11 income of at least 100% of the federal poverty level of \$4.00 for a  
12 generic drug or any drug indicated as preferred on the department's  
13 preferred drug list and \$8.00 for a brand-name drug not indicated  
14 as preferred on the department's preferred drug list, except as  
15 prohibited by federal or state law or regulation.

16 Sec. 1625. The department shall not enter into any contract  
17 with a Medicaid managed care organization that relies on a pharmacy  
18 benefit manager that does not do all of the following:

19 (a) For pharmacies with not more than 7 retail outlets,  
20 utilizes a pharmacy reimbursement methodology of the national  
21 average drug acquisition cost plus a professional dispensing fee  
22 comparable to the applicable professional dispensing fee provided  
23 through section 1620. The pharmacy benefit manager or the involved  
24 pharmacy services administrative organization shall not receive any  
25 portion of the additional professional dispensing fee. The  
26 department shall identify the pharmacies this subdivision applies  
27 to and provide the list of applicable pharmacies to the Medicaid  
28 managed care organizations.

29 (b) For pharmacies with not more than 7 retail outlets,

1 utilizes a pharmacy reimbursement methodology, when a national  
2 average drug acquisition cost price is not available, for brand  
3 drugs of the lesser of the wholesale acquisition cost, the average  
4 wholesale price less 16.7% plus a professional dispensing fee  
5 comparable to the applicable professional dispensing fee provided  
6 through section 1620, or the usual and customary charge by the  
7 pharmacy. The department shall identify the pharmacies this  
8 subdivision applies to and provide the list of applicable  
9 pharmacies to the Medicaid managed care organizations.

10 (c) For pharmacies with not more than 7 retail outlets,  
11 utilizes a pharmacy reimbursement methodology, when a national  
12 average drug acquisition cost price is not available, for generic  
13 drugs of the lesser of wholesale acquisition cost plus a  
14 professional dispensing fee comparable to the applicable  
15 professional dispensing fee provided through section 1620, average  
16 wholesale price less 30.0% plus a professional dispensing fee  
17 comparable to the applicable professional dispensing fee provided  
18 through section 1620, or the usual and customary charge by the  
19 pharmacy. The department shall identify the pharmacies this  
20 subdivision applies to and provide the list of applicable  
21 pharmacies to the Medicaid managed care organizations.

22 (d) Reimburses for a legally valid claim at a rate not less  
23 than the rate in effect at the time the original claim adjudication  
24 as submitted at the point of sale.

25 (e) Agrees to move to a transparent "pass-through" pricing  
26 model, in which the pharmacy benefit manager discloses the  
27 administrative fee as a percentage of the professional dispensing  
28 costs to the department.

29 (f) Agrees to not create new pharmacy administration fees and

1 to not increase current fees more than the rate of inflation. This  
2 subdivision does not apply to any federal rule or action that  
3 creates a new fee.

4 (g) Agrees to not terminate an existing contract with a  
5 pharmacy with not more than 7 retail outlets for the sole reason of  
6 the additional professional dispensing fee authorized under this  
7 section.

8 Sec. 1626. (1) By January 15 of the current fiscal year, each  
9 pharmacy benefit manager that receives reimbursements, either  
10 directly or through a Medicaid health plan, from the funds  
11 appropriated in part 1 for medical services must submit all of the  
12 following information to the department for the previous fiscal  
13 year:

14 (a) The total number of prescriptions that were dispensed.

15 (b) The aggregate wholesale acquisition cost for each drug on  
16 its formulary.

17 (c) The aggregate amount of rebates, discounts, and price  
18 concessions that the pharmacy benefit manager received for each  
19 drug on its formulary. The amount of rebates shall include any  
20 utilization discounts the pharmacy benefit manager receives from a  
21 manufacturer.

22 (d) The aggregate amount of administrative fees that the  
23 pharmacy benefit manager received from all pharmaceutical  
24 manufacturers.

25 (e) The aggregate amount identified in subdivisions (b) and  
26 (c) that were retained by the pharmacy benefit manager and did not  
27 pass through to the department or to the Medicaid health plan.

28 (f) The aggregate amount of reimbursements the pharmacy  
29 benefit manager pays to contracting pharmacies.

1 (g) Any other information considered necessary by the  
2 department.

3 (2) By March 1 of the current fiscal year, the department  
4 shall submit the information provided under subsection (1) to the  
5 house and senate appropriations subcommittees on the department  
6 budget, the house and senate fiscal agencies, the house and senate  
7 policy offices, and the state budget office.

8 (3) Any nonaggregated information submitted under this section  
9 shall be confidential and shall not be disclosed to any person by  
10 the department. Such information is not considered a public record  
11 of the department.

12 Sec. 1627. By April 1 of the current fiscal year, the  
13 department shall provide a report to the house and senate  
14 appropriations subcommittees on the department budget, the house  
15 and senate fiscal agencies, and the house and senate policy offices  
16 on both of the following:

17 (a) The cost per Medicaid prescription for the fee-for-service  
18 population and separately the cost per Medicaid prescription for  
19 the managed care population for the fiscal years ending September  
20 30, 2017 through September 30, 2022.

21 (b) Projected cost per Medicaid prescription for the fee-for-  
22 service population and projected cost per Medicaid prescription for  
23 the managed care population for the current fiscal year.

24 Sec. 1628. From the funds appropriated in part 1 for hospital  
25 services and therapy, the department shall allocate \$3,000,000.00  
26 in general fund/general purpose revenue and any associated federal  
27 match to increase the Medicaid reimbursement rate for dental  
28 services provided at ambulatory surgical centers and outpatient  
29 hospitals. The funding provided in this section must be used to

1 increase the minimum rate for dental services provided in  
2 ambulatory surgical centers to \$1,495.00 and increase the minimum  
3 rate for dental services provided in outpatient hospitals to  
4 \$2,300.00.

5 Sec. 1629. The department shall utilize maximum allowable cost  
6 pricing for generic drugs that is based on wholesaler pricing to  
7 providers that is available from at least 2 wholesalers who deliver  
8 in this state.

9 Sec. 1631. (1) The department shall require co-payments on  
10 dental, podiatric, and vision services provided to Medicaid  
11 recipients, except as prohibited by federal or state law or  
12 regulation.

13 (2) Except as otherwise prohibited by federal or state law or  
14 regulation, the department shall require Medicaid recipients not  
15 enrolled in the Healthy Michigan plan or with an income less than  
16 100% of the federal poverty level to pay not less than the  
17 following co-payments:

18 (a) Two dollars for a physician office visit.

19 (b) Three dollars for a hospital emergency room visit.

20 (c) Fifty dollars for the first day of an inpatient hospital  
21 stay.

22 (d) Two dollars for an outpatient hospital visit.

23 (3) Except as otherwise prohibited by federal or state law or  
24 regulation, the department shall require Medicaid recipients  
25 enrolled in the Healthy Michigan plan with an income of at least  
26 100% of the federal poverty level to pay the following co-payments:

27 (a) Four dollars for a physician office visit.

28 (b) Eight dollars for a hospital emergency room visit.

29 (c) One hundred dollars for the first day of an inpatient



1 hospital stay.

2 (d) Four dollars for an outpatient hospital visit or any other  
3 medical provider visit to the extent allowed by federal or state  
4 law or regulation.

5 Sec. 1641. An institutional provider that is required to  
6 submit a cost report under the medical services program shall  
7 submit cost reports completed in full within 5 months after the end  
8 of its fiscal year.

9 Sec. 1645. (1) It is the intent of the legislature that the  
10 department establish the class I nursing facility current asset  
11 value bed limit based on the rolling 15-year history of new  
12 construction.

13 (2) It is the intent of the legislature that, for the fiscal  
14 year beginning October 1, 2023, the department modify the class I  
15 nursing facility current asset value bed limit based on the rolling  
16 15-year history of new construction. The increase in the current  
17 asset value bed limit shall not exceed 4% of the limit for the  
18 fiscal year beginning October 1, 2022.

19 Sec. 1646. (1) From the funds appropriated in part 1 for long-  
20 term care services, the department shall continue to administer a  
21 nursing facility quality measure initiative program. The initiative  
22 shall be financed through the quality assurance assessment for  
23 nursing homes and hospital long-term care units, and the funds  
24 shall be distributed according to the following criteria:

25 (a) The department shall award more dollars to nursing  
26 facilities that have a higher CMS 5-star quality measure domain  
27 rating, then adjusted to account for both positive and negative  
28 aspects of a patient satisfaction survey.

29 (b) A nursing facility with a CMS 5-star quality measure

1 domain star rating of 1 or 2 must file an action plan with the  
2 department describing how it intends to use funds appropriated  
3 under this section to increase quality outcomes before funding  
4 shall be released.

5 (c) The total incentive dollars must reflect the following  
6 Medicaid utilization scale:

7 (i) For nursing facilities with a Medicaid participation rate  
8 of above 63%, the facility shall receive 100% of the incentive  
9 payment.

10 (ii) For nursing facilities with a Medicaid participation rate  
11 between 50% and 63%, the facility shall receive 75% of the  
12 incentive payment.

13 (iii) For nursing facilities with a Medicaid participation rate  
14 of less than 50%, the facility shall receive a payment  
15 proportionate to their Medicaid participation rate.

16 (iv) For nursing facilities not enrolled in Medicaid, the  
17 facility shall not receive an incentive payment.

18 (d) Facilities designated as special focus facilities are not  
19 eligible for any payment under this section.

20 (e) Number of licensed beds.

21 (2) The department and nursing facility representatives shall  
22 evaluate the quality measure incentive program's effectiveness on  
23 quality, measured by the change in the CMS 5-star quality measure  
24 domain rating since the implementation of quality measure incentive  
25 program. By March 1 of the current fiscal year, the department  
26 shall report to the senate and house appropriations subcommittees  
27 on the department budget, the senate and house fiscal agencies, and  
28 the senate and house policy offices on the findings of the  
29 evaluation.

1           Sec. 1657. (1) Reimbursement for medical services to screen  
2 and stabilize a Medicaid recipient, including stabilization of a  
3 psychiatric crisis, in a hospital emergency room shall not be made  
4 contingent on obtaining prior authorization from the recipient's  
5 HMO. If the recipient is discharged from the emergency room, the  
6 hospital shall notify the recipient's HMO within 24 hours of the  
7 diagnosis and treatment received.

8           (2) If the treating hospital determines that the recipient  
9 will require further medical service or hospitalization beyond the  
10 point of stabilization, that hospital shall receive authorization  
11 from the recipient's HMO prior to admitting the recipient.

12           (3) Subsections (1) and (2) do not require an alteration to an  
13 existing agreement between an HMO and its contracting hospitals and  
14 do not require an HMO to reimburse for services that are not  
15 considered to be medically necessary.

16           Sec. 1662. (1) The department shall ensure that an external  
17 quality review of each contracting HMO is performed that results in  
18 an analysis and evaluation of aggregated information on quality,  
19 timeliness, and access to health care services that the HMO or its  
20 contractors furnish to Medicaid beneficiaries.

21           (2) The department shall require Medicaid HMOs to provide  
22 EPSDT utilization data through the encounter data system, and HEDIS  
23 well child health measures in accordance with the National  
24 Committee for Quality Assurance prescribed methodology.

25           (3) The department shall provide a copy of the analysis of the  
26 Medicaid HMO annual audited HEDIS reports and the annual external  
27 quality review report to the senate and house appropriations  
28 subcommittees on the department budget, the senate and house fiscal  
29 agencies, and the state budget director, within 30 days after the

1 department's receipt of the final reports from the contractors.

2 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
3 program is to be used to provide comprehensive health care to all  
4 children under age 19 who reside in families with income at or  
5 below 212% of the federal poverty level, who are uninsured and have  
6 not had coverage by other comprehensive health insurance within 6  
7 months of making application for MICHild benefits, and who are  
8 residents of this state. The department shall develop detailed  
9 eligibility criteria through the health and aging services  
10 administration public concurrence process, consistent with the  
11 provisions of this part and part 1.

12 (2) The department may provide up to 1 year of continuous  
13 eligibility to children eligible for the MICHild program unless the  
14 family fails to pay the monthly premium, a child reaches age 19, or  
15 the status of the children's family changes and its members no  
16 longer meet the eligibility criteria as specified in the state  
17 plan.

18 (3) The department may make payments on behalf of children  
19 enrolled in the MICHild program as described in the MICHild state  
20 plan approved by the United States Department of Health and Human  
21 Services, or from other medical services.

22 Sec. 1673. The department may establish premiums for MICHild  
23 eligible individuals in families with income at or below 212% of  
24 the federal poverty level. The monthly premiums shall be \$10.00 per  
25 month.

26 Sec. 1677. The MICHild program shall provide, at a minimum,  
27 all benefits available under the Michigan benchmark plan that are  
28 delivered through contracted providers and consistent with federal  
29 law, including, but not limited to, the following medically

1 necessary services:

2 (a) Inpatient mental health services, other than substance use  
3 disorder treatment services, including services furnished in a  
4 state-operated mental hospital and residential or other 24-hour  
5 therapeutically planned structured services.

6 (b) Outpatient mental health services, other than substance  
7 use disorder services, including services furnished in a state-  
8 operated mental hospital and community-based services.

9 (c) Durable medical equipment and prosthetic and orthotic  
10 devices.

11 (d) Dental services as outlined in the approved MIChild state  
12 plan.

13 (e) Substance use disorder treatment services that may include  
14 inpatient, outpatient, and residential substance use disorder  
15 treatment services.

16 (f) Care management services for mental health diagnoses.

17 (g) Physical therapy, occupational therapy, and services for  
18 individuals with speech, hearing, and language disorders.

19 (h) Emergency ambulance services.

20 Sec. 1682. (1) In addition to the appropriations in part 1,  
21 the department is authorized to receive and spend penalty money  
22 received as the result of noncompliance with medical services  
23 certification regulations. Penalty money, characterized as private  
24 funds, received by the department shall increase authorizations and  
25 allotments in the long-term care accounts.

26 (2) Any unexpended penalty money, at the end of the year,  
27 shall carry forward to the following year.

28 (3) By March 1 of the current fiscal year, the department  
29 shall report to the senate and house appropriations subcommittees

1 on the department budget, the senate and house fiscal agencies, the  
2 senate and house policy offices, and the state budget office on  
3 penalty money received by the department as described in subsection  
4 (1). The report shall include, but is not limited to, the following  
5 information:

6 (a) The amount of penalty monies received by the department  
7 received in the previous fiscal year listed by the assessed entity.

8 (b) A list of the entities who were assessed penalties in the  
9 previous fiscal year with the rationale for each penalty.

10 Sec. 1692. (1) The department is authorized to pursue  
11 reimbursement for eligible services provided in Michigan schools  
12 from the federal Medicaid program. The department and the state  
13 budget director are authorized to negotiate and enter into  
14 agreements, together with the department of education, with local  
15 and intermediate school districts regarding the sharing of federal  
16 Medicaid services funds received for these services. The department  
17 is authorized to receive and disburse funds to participating school  
18 districts pursuant to such agreements and state and federal law.

19 (2) From the funds appropriated in part 1 for health and aging  
20 services school-based services payments, the department is  
21 authorized to do all of the following:

22 (a) Finance activities within the medical services  
23 administration related to this project.

24 (b) Reimburse participating school districts pursuant to the  
25 fund-sharing ratios negotiated in the state-local agreements  
26 authorized in subsection (1).

27 (c) Offset general fund costs associated with the health and  
28 aging services program.

29 Sec. 1693. The special Medicaid reimbursement appropriation in

1 part 1 may be increased if the department submits a medical  
2 services state plan amendment pertaining to this line item at a  
3 level higher than the appropriation. The department is authorized  
4 to appropriately adjust financing sources in accordance with the  
5 increased appropriation.

6 Sec. 1694. From the funds appropriated in part 1 for special  
7 Medicaid reimbursement, \$1,121,400.00 of general fund/general  
8 purpose revenue and any associated federal match shall be  
9 distributed for poison control services to an academic health care  
10 system that has a high indigent care volume.

11 Sec. 1696. It is the intent of the legislature that if an  
12 applicant for Medicaid coverage through the Healthy Michigan plan  
13 received medical coverage in the previous fiscal year through  
14 traditional Medicaid, and is still eligible for coverage through  
15 traditional Medicaid, the applicant is not eligible to receive  
16 coverage through the Healthy Michigan plan.

17 Sec. 1697. The department shall require that Medicaid health  
18 plans administering Healthy Michigan plan benefits maintain a  
19 network of dental providers in sufficient numbers, mix, and  
20 geographic locations throughout their respective service areas in  
21 order to provide adequate dental care for Healthy Michigan plan  
22 enrollees.

23 Sec. 1698. From the funds appropriated in part 1 for dental  
24 services, the department shall allocate \$41,633,300.00 to increase  
25 the rates on the department's dental fee schedule for adult fee-  
26 for-service Medicaid claims.

27 Sec. 1699. (1) The department may make separate payments in  
28 the amount of \$45,000,000.00 directly to qualifying hospitals  
29 serving a disproportionate share of indigent patients and to

1 hospitals providing GME training programs. If direct payment for  
2 GME and DSH is made to qualifying hospitals for services to  
3 Medicaid recipients, hospitals shall not include GME costs or DSH  
4 payments in their contracts with HMOs.

5 (2) The department shall allocate \$45,000,000.00 in DSH  
6 funding using the distribution methodology used in fiscal year  
7 2003-2004.

8 Sec. 1700. By December 1 of the current fiscal year, the  
9 department shall report to the senate and house appropriations  
10 subcommittees on the department budget, the senate and house fiscal  
11 agencies, and the state budget office on the distribution of  
12 funding provided, and the net benefit if the special hospital  
13 payment is not financed with general fund/general purpose revenue,  
14 to each eligible hospital during the previous fiscal year from the  
15 following special hospital payments:

16 (a) DSH, separated out by unique DSH pool.

17 (b) GME.

18 (c) Special rural hospital payments provided under section  
19 1802(2) of this part.

20 (d) Lump-sum payments to rural hospitals for obstetrical care  
21 provided under section 1802(1) of this part.

22 Sec. 1701. (1) The department shall explore the feasibility of  
23 obtaining appropriate federal approvals to allow for the  
24 utilization of Medicaid funding for the creation of a Medicaid  
25 supportive housing services benefit. By March 1 of the current  
26 fiscal year, the department shall report to the senate and house  
27 appropriations subcommittees on the department budget, the senate  
28 and house fiscal agencies, the senate and house policy offices, and  
29 the state budget office on all of the following:



1 (a) The prospective number of eligible individuals.

2 (b) The anticipated enrolled individuals.

3 (c) The estimated cost.

4 (d) The timeline for implementation, if feasible.

5 (e) The proposed housing-based services and supports for  
6 Medicaid beneficiaries eligible for the benefit described in this  
7 section.

8 (2) It is the intent of the legislature that a Medicaid  
9 supportive housing services benefit target those Medicaid  
10 beneficiaries that experience chronic homelessness, as well as  
11 other high-risk individuals that experience lengthy or frequent  
12 institutional or adult residential care stays.

13 Sec. 1702. From the funds appropriated in part 1, the  
14 department shall provide a 30% rate increase for private duty  
15 nursing services for Medicaid beneficiaries under the age of 21.  
16 These additional funds must be used to attract and retain highly  
17 qualified registered nurses and licensed practical nurses to  
18 provide private duty nursing services so that medically frail  
19 children can be cared for in the most homelike setting possible.

20 Sec. 1704. (1) From the funds appropriated in part 1 for  
21 health plan services, the department shall maintain the Medicaid  
22 adult dental benefit for pregnant women enrolled in a Medicaid  
23 program.

24 (2) By April 15 of the current fiscal year, the department  
25 shall report to the house and senate appropriations subcommittees  
26 on the department budget, the house and senate fiscal agencies, and  
27 the state budget office on the following:

28 (a) The number of pregnant women enrolled in Medicaid who  
29 visited a dentist over the previous fiscal year.

1 (b) The number of dentists statewide who participate in  
2 providing dental services to pregnant women enrolled in Medicaid.

3 Sec. 1757. The department shall obtain proof from all Medicaid  
4 recipients that they are United States citizens or otherwise  
5 legally residing in this country and that they are residents of  
6 this state before approving Medicaid eligibility.

7 Sec. 1763. It is the intent of the legislature that upon  
8 expiration of contract no. 071b7700073, the department shall issue  
9 an RFP for a 3-year contract for actuarial services, including, but  
10 not limited to, capitation rate setting for Medicaid and the  
11 Healthy Michigan plan. The department shall notify the senate and  
12 house appropriations subcommittees on the department budget, the  
13 senate and house fiscal agencies, and the senate and house policy  
14 offices on what vendors submitted bids for the contract, which  
15 vendor received the contract, the evaluation process, and the  
16 criteria used by the department in awarding the contract for  
17 actuarial services.

18 Sec. 1764. The department shall annually certify whether rates  
19 paid to Medicaid health plans and specialty PIHPs are actuarially  
20 sound in accordance with federal requirements and shall provide a  
21 copy of the rate certification and approval of rates paid to  
22 Medicaid health plans and specialty PIHPs within 5 business days  
23 after certification or approval to the senate and house  
24 appropriations subcommittees on the department budget, the senate  
25 and house fiscal agencies, and the state budget office. Following  
26 the rate certification, the department shall ensure that no new or  
27 revised state Medicaid policy bulletin that is promulgated  
28 materially impacts the capitation rates that have been certified in  
29 a negative manner.

1           Sec. 1775. (1) By March 1 of the current fiscal year, the  
2 department shall report to the senate and house appropriations  
3 subcommittees on the department budget, the senate and house fiscal  
4 agencies, and the state budget office on progress in implementing  
5 the waiver to implement managed care for individuals who are  
6 eligible for both Medicare and Medicaid, known as MI Health Link,  
7 including any problems and potential solutions as identified by the  
8 ombudsman described in subsection (2).

9           (2) The department shall ensure the existence of an ombudsman  
10 program that is not associated with any project service manager or  
11 provider to assist MI Health Link beneficiaries with navigating  
12 complaint and dispute resolution mechanisms and to identify  
13 problems in the demonstrations and in the complaint and dispute  
14 resolution mechanisms.

15          Sec. 1788. From the funds appropriated in part 1, the  
16 department shall provide Medicaid reimbursement rates, including  
17 Medicaid reimbursements from the ambulance provider quality  
18 assurance assessment, for ground ambulance services at not less  
19 than 100% of the Medicare rates for Locality 01 for those services  
20 in effect on the date the services are provided to eligible  
21 Medicaid recipients.

22          Sec. 1790. The department shall maintain the current  
23 practitioner rates paid for current procedural terminology (CPT)  
24 codes 90791 through 90899 for psychiatric procedures through  
25 Medicaid fee-for-service and through the comprehensive Medicaid  
26 health plans for psychiatric procedures provided for Medicaid  
27 recipients under the age of 21.

28          Sec. 1791. From the funds appropriated in part 1 for health  
29 plan services and physician services, the department shall provide

1 Medicaid reimbursement rates for neonatal services at 95% of the  
2 Medicare rate received for those services in effect on the date the  
3 services are provided to eligible Medicaid recipients. The current  
4 procedural terminology (CPT) codes that are eligible for this  
5 reimbursement rate increase are 99468, 99469, 99471, 99472, 99475,  
6 99476, 99477, 99478, 99479, and 99480.

7 Sec. 1792. By April 30 of the current fiscal year, the  
8 department shall evaluate pharmacy encounter data through the first  
9 2 quarters of the fiscal year to determine, in consultation with  
10 the Medicaid health plans, if rates must be recertified. By May 30  
11 of the current fiscal year, the department shall report the  
12 evaluation results to the senate and house appropriations  
13 subcommittees on the department budget, the senate and house fiscal  
14 agencies, the senate and house policy offices, the state budget  
15 office, and the Medicaid health plans.

16 Sec. 1801. (1) From the funds appropriated in part 1 for  
17 physician services and health plan services, the department shall  
18 continue the increase to Medicaid rates for primary care services  
19 provided only by primary care providers. Providers performing a  
20 service and whose primary practice is as a non-primary-care  
21 subspecialty are not eligible for the increase. The department  
22 shall establish policies that most effectively limit the increase  
23 to primary care providers for primary care services only. As used  
24 in this section, "primary care provider" means a physician, or a  
25 practitioner working in collaboration with a physician, who is  
26 either licensed under part 170 or part 175 of the public health  
27 code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to  
28 333.17556, and working as a primary care provider in general  
29 practice or board-eligible or certified with a specialty

1 designation of family medicine, general internal medicine, or  
2 pediatric medicine, or a provider who provides the department with  
3 documentation of equivalency.

4 (2) From the funds appropriated in part 1 for health plan  
5 services and physician services, the department shall allocate  
6 \$15,000,000.00 of general fund/general purpose revenue and any  
7 associated federal match to provide Medicaid reimbursement rates  
8 for primary care services at the greater of either the actual rates  
9 paid during the previous fiscal year or at least 95% of the  
10 Medicare rate received for those services on the date the service  
11 is provided. The current procedural terminology (CPT) codes that  
12 are eligible for this reimbursement rate increase are 99202 through  
13 99205, 99211 through 99215, 99381 through 99387, 99391 through  
14 99397, 99421, 99422, 99423, 99441, 99442, and 99443.

15 Sec. 1802. (1) From the funds appropriated in part 1 for  
16 hospital services and therapy, \$7,995,200.00 in general  
17 fund/general purpose revenue shall be provided as lump-sum payments  
18 to noncritical access hospitals that qualified for rural hospital  
19 access payments in fiscal year 2013-2014 and that provide  
20 obstetrical care in the current fiscal year. Payment amounts shall  
21 be based on the volume of obstetrical care cases and newborn care  
22 cases for all such cases billed by each qualified hospital in the  
23 most recent year for which data is available. Payments shall be  
24 made by January 1 of the current fiscal year.

25 (2) From the funds appropriated in part 1 for hospital  
26 services and therapy and Healthy Michigan plan, \$13,904,800.00 in  
27 general fund/general purpose revenue and any associated federal  
28 match shall be awarded as rural access payments to noncritical  
29 access hospitals that meet criteria established by the department

1 for services to low-income rural residents. One of the  
2 reimbursement components of the distribution formula shall be  
3 assistance with labor and delivery services. The department shall  
4 ensure that the rural access payments described in this subsection  
5 are distributed in a manner that ensures that a hospital does not  
6 receive more than 10.0% of the total rural access funding  
7 referenced in this subsection.

8 (3) The methodology for distribution under subsection (2) and  
9 its applicable data that are used to determine the payment amounts  
10 must be provided to each hospital by August 1 of the current fiscal  
11 year. The department shall publish the distribution of payments for  
12 the current fiscal year and the previous fiscal year.

13 Sec. 1803. The department shall maintain rules to allow for  
14 billing to and reimbursement by the Medicaid program directly for  
15 transportation charges related to portable X-ray services rendered  
16 to patients residing in a nursing facility or an assisted living  
17 facility, or who are otherwise homebound. By October 1 of the  
18 current fiscal year, the department shall set payment rates for  
19 Medicaid transportation charges related to portable X-ray services.

20 Sec. 1804. (1) The department shall utilize the federal public  
21 assistance reporting information system to identify Medicaid  
22 recipients who are veterans and who may be eligible for federal  
23 veterans' health care benefits or other benefits. The department  
24 shall identify the specific outcomes and performance reporting  
25 requirements described in this section. The department shall  
26 acquire all of the following information by January 1 of the  
27 current fiscal year and report to the senate and house  
28 appropriations subcommittees on the department budget, the senate  
29 and house fiscal agencies, and the senate and house policy offices

1 on the following:

2 (a) The number of veterans identified by the department  
3 through eligibility determinations.

4 (b) The number of veterans referred to the department of  
5 military and veterans affairs.

6 (c) The number of referrals made by the department that were  
7 contacted by the department of military and veterans affairs.

8 (d) The number of referrals made by the department that were  
9 eligible for veterans health care benefits or other benefits.

10 (e) The specific actions and efforts undertaken by the  
11 department and the department of military and veterans affairs to  
12 identify female veterans who are applying for public assistance  
13 benefits, but who are eligible for veterans benefits.

14 (2) By October 1 of the current fiscal year, the department  
15 shall change the public assistance application form from asking  
16 whether the prospective applicant was a veteran to asking whether  
17 the applicant had ever served in the military.

18 (3) This section does not prohibit the department from  
19 entering into interagency agreements with any other public  
20 department or agency in this state in order to obtain the  
21 information detailed in subsection (1).

22 Sec. 1810. In advance of the annual rate setting development,  
23 Medicaid health plans shall be given at least 60 days to dispute  
24 and correct any discarded encounter data before rates are  
25 certified. The department shall notify each contracting Medicaid  
26 health plan of any encounter data that have not been accepted for  
27 the purposes of rate setting.

28 Sec. 1812. By June 1 of the current fiscal year, and using the  
29 most recent available cost reports, the department shall complete a

1 report of all direct and indirect costs associated with residency  
2 training programs for each hospital that receives funds  
3 appropriated in part 1 for graduate medical education or through  
4 the MiDocs consortium. The report shall be submitted to the house  
5 and senate appropriations subcommittees on the department budget,  
6 the house and senate fiscal agencies, and the state budget office.

7 Sec. 1820. (1) In order to avoid duplication of efforts, the  
8 department shall utilize applicable national accreditation review  
9 criteria to determine compliance with corresponding state  
10 requirements for Medicaid health plans that have been reviewed and  
11 accredited by a national accrediting entity for health care  
12 services.

13 (2) The department shall continue to comply with state and  
14 federal law and shall not initiate an action that negatively  
15 impacts beneficiary safety.

16 (3) As used in this section, "national accrediting entity"  
17 means the National Committee for Quality Assurance, the URAC,  
18 formerly known as the Utilization Review Accreditation Commission,  
19 or other appropriate entity, as approved by the department.

20 Sec. 1837. The department shall continue, and expand where  
21 appropriate, utilization of telemedicine and telepsychiatry as  
22 strategies to increase access to services for Medicaid recipients.

23 Sec. 1846. From the funds appropriated in part 1 for graduate  
24 medical education, the department shall distribute the funds with  
25 an emphasis on the following health care workforce goals:

26 (a) The encouragement of the training of physicians in  
27 specialties, including primary care, that are necessary to meet the  
28 future needs of residents of this state.

29 (b) The training of physicians in settings that include



1 ambulatory sites and rural locations.

2 (c) The training of practitioners providing pediatric  
3 psychiatry services.

4 Sec. 1850. The department may allow Medicaid health plans to  
5 assist with maintaining eligibility through outreach activities to  
6 ensure continuation of Medicaid eligibility and enrollment in  
7 managed care. This may include mailings, telephone contact, or  
8 face-to-face contact with beneficiaries enrolled in the individual  
9 Medicaid health plan. Health plans may offer assistance in  
10 completing paperwork for beneficiaries enrolled in their plan.

11 Sec. 1851. From the funds appropriated in part 1 for adult  
12 home help services, the department shall allocate \$150,000.00 state  
13 general fund/general purpose revenue plus any associated federal  
14 match to develop and deploy a mobile electronic visit verification  
15 solution to create administrative efficiencies, reduce error, and  
16 minimize fraud. The development of the solution shall be predicated  
17 on input from the results of the 2017 stakeholder survey.

18 Sec. 1852. (1) The department shall eliminate monthly  
19 enrollment caps, remove card cut-off dates, and allow for the  
20 program for all-inclusive care for the elderly (PACE) to provide  
21 services at the time of signed enrollment agreement.

22 (2) The department shall identify and implement an alternative  
23 payment authority that would reimburse PACE organizations for  
24 services provided to a participant before the effective date of  
25 enrollment on either a fee-for-service or capitated basis.

26 Sec. 1853. From the funds in part 1 for program of all-  
27 inclusive care for the elderly (PACE), the department shall provide  
28 1-time funding to help offset startup costs for new PACE programs  
29 located in rural communities.

1       Sec. 1854. The funds appropriated in part 1 for program of  
 2 all-inclusive care for the elderly (PACE) must support a current  
 3 fiscal year enrollment cap that is not less than 7,288.

4       Sec. 1855. From the funds appropriated in part 1 for program  
 5 of all-inclusive care for the elderly (PACE), to the extent that  
 6 funding is available in the PACE line item and unused program slots  
 7 are available, the department may do the following:

8       (a) Increase the number of slots for an already-established  
 9 local PACE program if the local PACE program has provided  
 10 appropriate documentation to the department indicating its ability  
 11 to expand capacity to provide services to additional PACE clients.

12       (b) Suspend the 10 member per month individual PACE program  
 13 enrollment increase cap in order to allow unused and unobligated  
 14 slots to be allocated to address unmet demand for PACE services.

15       Sec. 1856. (1) From the funds appropriated in part 1 for  
 16 hospice services, \$5,000,000.00 shall be expended through contracts  
 17 with providers to provide room and board for Medicaid recipients  
 18 who meet hospice eligibility requirements and receive services at  
 19 Medicaid enrolled hospice residences in this state. The qualifying  
 20 hospice residences must have been enrolled with Medicaid by October  
 21 1, 2014. The department shall make funding available based on the  
 22 number of licensed beds at each participating facility. ~~(2) By~~  
 23 ~~September 15 of the current fiscal year, each Medicaid-enrolled~~  
 24 ~~hospice with a residence that receives funds under this section~~  
 25 ~~shall provide a report to the department on the utilization of the~~  
 26 ~~grant funding provided in subsection (1). The report shall be~~  
 27 ~~provided in a format prescribed by the department and shall include~~  
 28 ~~the following:~~

29       (2) If there is funding remaining at the end of the current

1     fiscal year, the Medicaid-enrolled hospice with a residence shall  
2     return funding to the state.

3             Sec. 1857. By July 1 of the current fiscal year, the  
4     department shall explore the implementation of a managed care long-  
5     term support service.

6             Sec. 1858. By April 1 of the current fiscal year, the  
7     department shall report to the senate and house appropriations  
8     subcommittees on the department budget and the senate and house  
9     fiscal agencies on all of the following elements related to the  
10    current Medicaid pharmacy carve-out of pharmaceutical products as  
11    provided for in section 109h of the social welfare act, 1939 PA  
12    280, MCL 400.109h:

13            (a) The number of prescriptions paid by the department during  
14    the previous fiscal year.

15            (b) The total amount of expenditures for prescriptions paid by  
16    the department during the previous fiscal year.

17            (c) The number of and total expenditures for prescriptions  
18    paid for by the department for generic equivalents during the  
19    previous fiscal year.

20            Sec. 1859. The department shall partner with the Michigan  
21    Association of Health Plans (MAHP) and Medicaid health plans to  
22    develop and implement strategies for the use of information  
23    technology services for Medicaid research activities. The  
24    department shall make available state medical assistance program  
25    data, including Medicaid behavioral data, to MAHP and Medicaid  
26    health plans or any vendor considered qualified by the department  
27    for the purpose of research activities consistent with this state's  
28    goals of improving health; increasing the quality, reliability,  
29    availability, and continuity of care; and reducing the cost of care

1 for the eligible population of Medicaid recipients.

2 Sec. 1860. By March 1 of the current fiscal year, the  
3 department shall provide a report to the senate and house  
4 appropriations subcommittees, the senate and house fiscal agencies,  
5 and the state budget office on uncollected co-pays and premiums in  
6 the Healthy Michigan plan. The report shall include information on  
7 the number of participants who have not paid their co-pays and  
8 premiums, the total amount of uncollected co-pays and premiums, and  
9 steps taken by the department and health plans to ensure greater  
10 collection of co-pays and premiums.

11 Sec. 1862. From the funds appropriated in part 1, the  
12 department shall maintain payment rates for Medicaid obstetrical  
13 services at 95% of Medicare levels effective October 1, 2014.

14 Sec. 1867. (1) The department shall continue a workgroup that  
15 includes psychiatrists, other relevant prescribers, and pharmacists  
16 to identify best practices and to develop a protocol for  
17 psychotropic medications. Any changes proposed by the workgroup  
18 shall protect a Medicaid beneficiary's current psychotropic  
19 pharmaceutical treatment regimen by not requiring a physician  
20 currently prescribing any treatment to alter or adjust that  
21 treatment.

22 (2) By March 1 of the current fiscal year, the department  
23 shall provide the workgroup's recommendations to the senate and  
24 house appropriations subcommittees on the department budget, the  
25 senate and house fiscal agencies, and the state budget office.

26 Sec. 1869. From the funds appropriated in part 1 for hospital  
27 services and therapy, the department shall appropriate  
28 \$3,000,000.00 in general fund/general purpose revenue and any  
29 associated federal match to a community-based residency training

1 program, accredited by the Accreditation Council for Graduate  
2 Medical Education (ACGME) and operated by community-based  
3 organizations such as FQHCs, which operates from the local funds  
4 appropriated in this section, to administer a community-based  
5 residency training program. The funds appropriated in this section  
6 may be allocated and administered on a local level to communities  
7 with high disparities related to COVID-19 and high infant mortality  
8 rates for community and public health-based training programs for  
9 providers in family medicine. The community-based residency  
10 training program shall have a particular emphasis on addressing  
11 local psychiatric issues, local health disparities, and local  
12 maternal child health issues. The department may secure federal  
13 matching funds on local funds allocated in this section to serve  
14 Medicaid and uninsured individuals through this community-based  
15 residency training program.

16 Sec. 1870. (1) From the funds appropriated in part 1 for  
17 hospital services and therapy, the department shall appropriate  
18 \$6,400,000.00 in general fund/general purpose revenue plus any  
19 contributions from public entities, up to \$5,000,000.00, and any  
20 associated federal match to the MiDocs consortium to create new  
21 primary care residency slots in underserved communities. The new  
22 primary care residency slots must be in 1 of the following  
23 specialties: family medicine, general internal medicine, general  
24 pediatrics, general OB-GYN, psychiatry, or general surgery.

25 (2) The department shall seek any necessary approvals from CMS  
26 to allow the department to implement the program described in this  
27 section.

28 (3) Assistance with repayment of medical education loans, loan  
29 interest payments, or scholarships provided by MiDocs shall be

1 contingent upon a minimum 2-year commitment to practice in an  
2 underserved community in this state post-residency and an agreement  
3 to forego any sub-specialty training for at least 2 years post-  
4 residency with the exception of a child and adolescent psychiatry  
5 fellowship which must be integrated with a psychiatry residency  
6 training program in a MiDocs affiliated institution.

7 (4) The MiDocs shall work with the department to integrate the  
8 Michigan inpatient psychiatric admissions discussion (MIPAD)  
9 recommendations and, when possible, prioritize training  
10 opportunities in state psychiatric hospitals and community mental  
11 health organizations.

12 (5) The department shall maintain the MiDocs initiative  
13 advisory council to help support implementation of the program  
14 described in this section, and provide oversight. The advisory  
15 council shall be composed of the MiDocs consortium, the Michigan  
16 Area Health Education Centers, the Michigan Primary Care  
17 Association, the Michigan Center for Rural Health, the Michigan  
18 Academy of Family Physicians, and any other appointees designated  
19 by the department.

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

25 (a) Audited financial statement of per-resident costs.

26 (b) Education and clinical quality data.

27 (c) Roster of trainees, including areas of specialty and  
28 locations of training.

29 (d) Medicaid revenue by training site.

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

3 (a) Increasing this state's ability to recruit, train, and  
4 retain primary care physicians and other select specialty  
5 physicians in underserved communities.

6 (b) Maximizing training opportunities with community health  
7 centers, rural critical access hospitals, solo or group private  
8 practice physician practices, schools, and other community-based  
9 clinics, in addition to required rotations at inpatient hospitals.

10 (c) Increasing the number of residency slots for family  
11 medicine, general internal medicine, general pediatrics, general  
12 OB-GYN, psychiatry, and general surgery.

13 (8) Unexpended and unencumbered funds up to a maximum  
14 \$6,400,000.00 in general fund/general purpose revenue plus any  
15 contributions from public entities, up to \$5,000,000.00, and any  
16 associated federal match remaining in accounts appropriated in part  
17 1 for hospital services and therapy are designated as work project  
18 appropriations, and any unencumbered or unallotted funds shall not  
19 lapse at the end of the fiscal year and shall be available for  
20 expenditures for the MiDocs consortium to create new primary care  
21 residency slots in underserved communities under this section until  
22 the work project has been completed. All of the following are in  
23 compliance with section 451a(1) of the management and budget act,  
24 1984 PA 431, MCL 18.1451a:

25 (a) The purpose of the work project is to fund the cost of the  
26 MiDocs consortium to create new primary care residency slots in  
27 underserved communities.

28 (b) The work project will be accomplished by contracting with  
29 the MiDocs consortium to oversee the creation of new primary care

1 residency slots.

2 (c) The total estimated completion cost of the work project is  
3 \$20,200,000.00.

4 (d) The tentative completion date is September 30, 2026.

5 Sec. 1871. The funds appropriated in part 1 for the Healthy  
6 Michigan plan healthy behaviors incentives program shall only  
7 provide reductions in cost-sharing responsibilities and shall not  
8 include other financial rewards such as gift cards.

9 Sec. 1872. From the funds appropriated in part 1 for personal  
10 care services, the department shall maintain the monthly Medicaid  
11 personal care supplement paid to adult foster care facilities and  
12 homes for the aged that provide personal care services to Medicaid  
13 recipients in place during the previous fiscal year.

14 Sec. 1873. From the funds appropriated in part 1 for long-term  
15 care services, the department may allocate up to \$3,700,000.00 for  
16 the purpose of outreach and education to nursing home residents and  
17 the coordination of housing in order to move out of the facility.  
18 In addition, any funds appropriated shall be used for other quality  
19 improvement activities of the program. The department shall  
20 consider working with all relevant stakeholders to develop a plan  
21 for the ongoing sustainability of the nursing facility transition  
22 initiative.

23 Sec. 1874. The department shall ensure, in counties where  
24 program of all-inclusive care for the elderly or PACE services are  
25 available, that the program of all-inclusive care for the elderly  
26 (PACE) is included as an option in all options counseling and  
27 enrollment brokering for aging services and managed care programs,  
28 including, but not limited to, Area Agencies on Aging, centers for  
29 independent living, and the MiChoice home and community-based



1 waiver. Such options counseling must include approved marketing and  
2 discussion materials.

3 Sec. 1875. (1) The department and its contractual agents may  
4 not subject Medicaid prescriptions to prior authorization  
5 procedures during the current fiscal year if that drug is carved  
6 out and is not subject to prior authorization procedures as of  
7 January 22, 2021, and is generally recognized in a standard medical  
8 reference or the American Psychiatric Association's Diagnostic and  
9 Statistical Manual for the Treatment of a Psychiatric Disorder.

10 (2) The department and its contractual agents may not subject  
11 Medicaid prescriptions to prior authorization procedures during the  
12 current fiscal year if that drug is carved out or is not subject to  
13 prior authorization procedures as of January 22, 2021 and is a  
14 prescription drug that is generally recognized in a standard  
15 medical reference for the treatment of human immunodeficiency virus  
16 or acquired immunodeficiency syndrome, epilepsy or seizure  
17 disorder, organ replacement therapy, or is a prescription drug that  
18 is orally administered and approved by the United States Food and  
19 Drug Administration for the treatment of Duchenne Muscular  
20 Dystrophy.

21 (3) As used in this section, "prior authorization" means a  
22 process implemented by the department or its contractual agents  
23 that conditions, delays, or denies delivery of particular pharmacy  
24 services to Medicaid beneficiaries upon application of  
25 predetermined criteria by the department or its contractual agents  
26 to those pharmacy services. The process of prior authorization  
27 often requires that a prescriber do 1 or both of the following:

28 (a) Obtain preapproval from the department or its contractual  
29 agents before prescribing a given drug.

1 (b) Verify to the department or its contractual agents that  
2 the use of a drug prescribed for an individual meets predetermined  
3 criteria from the department or its contractual agents for a  
4 prescription drug that is otherwise available under the Medicaid  
5 program in this state.

6 Sec. 1879. (1) The department shall maintain a single,  
7 standard preferred drug list to be used by all contracted Medicaid  
8 managed health care programs. Changes to the preferred drug list  
9 shall be made in consultation with all contracted managed health  
10 care programs and the Michigan pharmacy and therapeutics committee  
11 to ensure sufficient access to medically necessary drugs for each  
12 disease state. The department has final authority over the list and  
13 shall design the list to ensure access to clinically effective and  
14 appropriate drug therapies and maximize federal rebates and  
15 supplemental rebates.

16 (2) By July 15 of the current fiscal year, the department  
17 shall submit a report to the senate and house appropriations  
18 subcommittees on the department budget, the senate and house fiscal  
19 agencies, the senate and house policy offices, and the state budget  
20 office that compares the managed care pharmacy expenditures,  
21 utilization, and rebates before implementing a single, standard  
22 preferred drug list to managed care pharmacy expenditures,  
23 utilization, and rebates after implementing a single, standard  
24 preferred drug list. The report shall include data on collected  
25 rebates, pharmacy utilization, and expenditures by quarter for at  
26 least 8 quarters before implementing a single, standard preferred  
27 drug list, and the experienced rebates, pharmacy utilization, and  
28 expenditures for at least 10 quarters, and the projected rebates,  
29 pharmacy utilization, and expenditures for quarters 11 through 16

1 after implementing a single, standard preferred drug list. The data  
2 shall be aggregated by the department so as not to disclose the  
3 proprietary or confidential drug-specific information, or the  
4 proprietary or confidential information that directly or indirectly  
5 identifies financial information linked to a single manufacturer.

6 Sec. 1881. The managed care capitation rates for the fiscal  
7 year ending September 30, 2023 shall not include a 2-way risk  
8 corridor.

9 Sec. 1888. The department shall establish contract performance  
10 standards associated with the capitation withhold provisions for  
11 Medicaid health plans at least 3 months before the implementation  
12 of those standards. The determination of whether performance  
13 standards have been met shall be based primarily on recognized  
14 concepts such as 1-year continuous enrollment and the health care  
15 effectiveness data and information set, HEDIS, audited data.

16 Sec. 1894. By March 1 of the current fiscal year, the  
17 department shall report to the senate and house appropriations  
18 subcommittees on the department budget, the senate and house fiscal  
19 agencies, the senate and house policy offices, and the state budget  
20 office on the Healthy Kids Dental program. The report shall  
21 include, but is not limited to, the following:

22 (a) The number of children enrolled in the Healthy Kids Dental  
23 program who visited the dentist during the previous fiscal year  
24 broken down by dental benefit manager.

25 (b) The number of dentists who accept payment from the Healthy  
26 Kids Dental program broken down by dental benefit manager.

27 (c) The annual change in dental utilization of children  
28 enrolled in the Healthy Kids Dental program broken down by dental  
29 benefit manager.

1 (d) Service expenditures for the Healthy Kids Dental program  
2 broken down by dental benefit manager.

3 (e) Administrative expenditures for the Healthy Kids Dental  
4 program broken down by dental benefit manager.

5 Sec. 1895. From the funds appropriated in part 1 for long-term  
6 care services, the department shall adjust the variable cost  
7 component (VCC) and plant cost component of Medicaid reimbursement  
8 to class I, class III, and class IV nursing home providers as  
9 follows:

10 (a) An interim VCC rate and plant cost component rate for each  
11 facility must be established at 102.5% of the interim rate provided  
12 on October 1 of the previous fiscal year.

13 (b) The quality assurance supplement (QAS) amount will be  
14 calculated for nursing home providers using the following factors:

15 (i) For class I providers, the QAS must be based on the updated  
16 interim VCC for this fiscal year multiplied by 21.76%.

17 (ii) For governmental class III providers, the QAS must be  
18 subject to the class I updated variable cost limit (VCL).

19 (iii) For nongovernmental class III providers, the QAS must be  
20 based on their VCC or VCL, as applicable, multiplied by 21.76%.

21 (c) The department shall audit the final 2023 VCC and plant  
22 costs to establish the final audited rate provided to facilities  
23 for services provided in the current fiscal year.

24  
25 **INFORMATION TECHNOLOGY**

26 Sec. 1901. (1) The department shall provide a report on a  
27 quarterly basis to the senate and house appropriations  
28 subcommittees on the department budget, the senate and house fiscal  
29 agencies, the senate and house policy offices, and the state budget

1 office on all of the following information:

2 (a) The process used to define requests for proposals for each  
3 expansion of information technology projects, including timelines,  
4 project milestones, and intended outcomes.

5 (b) If the department decides not to contract the services out  
6 to design and implement each element of the information technology  
7 expansion, the department's own project plan that includes, at a  
8 minimum, the requirements in subdivision (a).

9 (c) A recommended project management plan with milestones and  
10 time frames.

11 (d) The proposed benefits from implementing the information  
12 technology expansion, including customer service improvement, form  
13 reductions, potential time savings, caseload reduction, and return  
14 on investment.

15 (e) Details on the implementation of the integrated service  
16 delivery project, and the progress toward meeting the outcomes and  
17 performance measures listed in section 1904(2) of this part.

18 (f) A list of projects approved in the previous quarter and  
19 the purpose for approving each project including any federal,  
20 state, court, or legislative requirement for each project.

21 (2) Once an award for an expansion of information technology  
22 is made, the department shall report to the senate and house  
23 appropriations subcommittees on the department budget, the senate  
24 and house fiscal agencies, the senate and house policy offices, and  
25 the state budget office a projected cost of the expansion broken  
26 down by use and type of expense.

27 Sec. 1903. (1) The department shall report to the senate and  
28 house appropriations subcommittees on the department budget, the  
29 senate and house fiscal agencies, the senate and house policy

1 offices, and the state budget office by November 1 of the current  
2 fiscal year the status of an implementation plan regarding the  
3 appropriation in part 1 to modernize the MiSACWIS. The report shall  
4 include, but not be limited to, an update on the status of the  
5 settlement and efforts to bring the system in compliance with the  
6 settlement and other federal guidelines set forth by the United  
7 States Department of Health and Human Services Administration for  
8 Children and Families.

9 (2) The department shall report quarterly to the senate and  
10 house appropriations subcommittees on the department budget, the  
11 senate and house fiscal agencies, the senate and house policy  
12 offices, and the state budget office a status report on the  
13 planning, implementation, and operation, regardless of the current  
14 operational status, regarding the appropriation in part 1 to  
15 implement the MiSACWIS. The report shall provide details on the  
16 planning, implementation, and operation of the MiSACWIS, including,  
17 but not limited to, all of the following:

18 (a) Areas where implementation went as planned, and in each  
19 area including whether the implementation results in either  
20 enhanced user interface or portal access, conversion to new  
21 modules, or substantial operation improvement to the MiSACWIS.

22 (b) The number of known issues.

23 (c) The average number of help tickets submitted per day.

24 (d) Any additional overtime or other staffing costs to address  
25 known issues and volume of help tickets.

26 (e) Any contract revisions to address known issues and volume  
27 of help tickets.

28 (f) Other strategies undertaken to improve implementation, and  
29 for each strategy area including whether the implementation results

1 in either enhanced user interface or portal access, conversion to  
2 new modules, or substantial operation improvement to the MiSACWIS.

3 (g) Progress developing cross-system trusted data exchange  
4 with the MiSACWIS.

5 (h) Progress in moving away from a statewide automated child  
6 welfare information system (SACWIS) to a comprehensive child  
7 welfare information system (CCWIS).

8 (i) Progress developing and implementing a program to monitor  
9 data quality.

10 (j) Progress developing and implementing custom integrated  
11 systems for private agencies.

12 (k) A list of all change orders, planned or in progress.

13 (l) The status of all change orders, planned or in progress.

14 (m) The estimated costs for all planned change orders.

15 (n) The estimated and actual costs for all change orders in  
16 progress.

17 (3) By July 1 of the current fiscal year, the department shall  
18 submit to the house and senate appropriations subcommittees on the  
19 department budget, the house and senate fiscal agencies, and the  
20 house and senate policy offices a report on the department's  
21 efforts and recommendations to develop and implement a simpler and  
22 more streamlined process for the annual renewal of the licenses for  
23 family foster care homes, and the development of a simpler and more  
24 efficient version of the application form for renewal of the  
25 licenses for family foster care homes.

26 Sec. 1904. (1) From the funds appropriated in part 1 for the  
27 Bridges information system line item, the department shall maintain  
28 information technology tools and enhance existing systems to  
29 improve the eligibility and enrollment process for citizens

1 accessing department administered programs. This information  
2 technology system shall consolidate beneficiary information,  
3 support department caseworker efforts in building a success plan  
4 for beneficiaries, and better support department staff in  
5 supporting enrollees in assistance programs.

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

8 (a) Successful consolidation of data warehouses maintained by  
9 the department.

10 (b) The amount of time a department caseworker devotes to data  
11 entry when initiating an enrollee application.

12 (c) A reduction in wait times for persons enrolled in  
13 assistance programs to speak with department staff and get  
14 necessary changes made.

15 (d) A reduction in department caseworker workload.

16 Sec. 1905. (1) The department shall report on a quarterly  
17 basis to the chairs of the senate and house standing committees on  
18 appropriations, the senate and house appropriations subcommittees  
19 on the department budget, the senate and house appropriations  
20 subcommittees on the general government budget, the senate and  
21 house fiscal agencies, the senate and house policy offices, and the  
22 state budget office on all of the following:

23 (a) Fiscal year-to-date information technology spending for  
24 the current fiscal year by service and project and by line-item  
25 appropriation.

26 (b) Planned information technology spending for the remainder  
27 of the current fiscal year by service and project and by line-item  
28 appropriation.

29 (c) Total fiscal year-to-date information technology spending



1 and planned spending for the current fiscal year by service and  
2 project and by line-item appropriation.

3 (d) A list of all information technology projects estimated to  
4 cost more than \$250,000.00 that exceed their allotted budget as  
5 well as all information technology projects that have exceeded  
6 their allotted budget by 25% or more.

7 (2) As used in subsection (1), "project" includes, but is not  
8 limited to, all of the following major projects:

9 (a) Community health automated Medicaid processing system  
10 (CHAMPS).

11 (b) Bridges and MiBridges eligibility determination.

12 (c) MiSACWIS.

13 (d) Integrated service delivery.

14 (3) The department shall develop a strategic plan for  
15 information technology services and projects for the department.  
16 The strategic plan shall identify any scheduled changes in the  
17 federal and state shares of costs related to information technology  
18 services and projects over the 5-year period. As part of the  
19 strategic plan, the department shall include total information  
20 technology expenditures from the previous fiscal year by fund  
21 source and total information technology appropriations as a  
22 percentage of total department appropriations by fund source, by  
23 completed project, for all information technology expenditures in  
24 the previous fiscal year. All projects beginning after October 1,  
25 2021 will follow department of management and budget benefits  
26 realization methodology, for reporting when completed in a future  
27 fiscal year's report. The strategic plan shall also develop  
28 benchmarks for comparison that include, for the previous 5 fiscal  
29 years, the department's information technology spending compared to

1 the spending in the areas of public health, Medicaid, child  
2 protective services, child welfare, family and social services,  
3 human services, and child support enforcement for similar  
4 departments in 3 other states located in the Midwest.

5 Sec. 1907. By October 1 and March 1 of the current fiscal  
6 year, the department shall report to the house and senate  
7 appropriations subcommittees on the department budget, the house  
8 and senate fiscal agencies, the house and senate policy offices,  
9 and the state budget office on all current, contracted information  
10 technology-related projects, total contractual costs, spending in  
11 previous fiscal years, planned spending for the current fiscal  
12 year, and fiscal year-to-date spending, by project.

13 Sec. 1909. (1) From the funds appropriated in part 1 for child  
14 support automation, the department shall only encumber or expend  
15 funds for the operation, maintenance, and improvements of the  
16 Michigan child support enforcement system (MiCSES).

17 (2) From the funds appropriated in part 1 for bridges  
18 information system, the department shall only encumber or expend  
19 funds for the operation, maintenance, and improvements of Bridges  
20 and MIBridges.

21 (3) From the funds appropriated in part 1 for Michigan  
22 Medicaid information system, the department shall only encumber or  
23 expend funds for the operation, maintenance, and improvements of  
24 the community health automated Medicaid processing system (CHAMPS).

25 (4) From the funds appropriated in part 1 for Michigan  
26 statewide automated child welfare information system, the  
27 department shall only encumber or expend funds for the operation,  
28 maintenance, and improvements of MiSACWIS.

29 (5) From the funds appropriated in part 1 for comprehensive

1 child welfare information system, the department shall only  
2 encumber or expend funds for the operation, maintenance, and  
3 improvements to the comprehensive child welfare information system.

4 (6) From the funds appropriated in part 1 for comprehensive  
5 child welfare information system, the department shall allocate  
6 \$3,762,200.00 to develop a new information system to replace  
7 MiSACWIS consistent with the plan provided by the department to the  
8 United States District Court for Eastern District of Michigan as a  
9 part of the settlement. The development of the comprehensive child  
10 welfare information system shall adhere to department of  
11 technology, management, and budget and IT Investment Fund (ITIF)  
12 policies and practices, including use of the state unified  
13 information technology environment methodology and agile  
14 development. The project team shall also participate in and comply  
15 with the enterprise portfolio management office process and product  
16 quality assurance. To ensure full transparency, the project shall  
17 be included in the ITIF portfolio for executive, legislative, and  
18 external reporting purposes. As a component of the ITIF portfolio,  
19 the project is subject to governance and oversight by the IT  
20 investment management board.

21 Sec. 1910. (1) From the funds appropriated in part 1,  
22 \$286,859,200.00 is appropriated for information technology services  
23 and projects including:

24 (a) \$63,867,200.00 for bridges information system.

25 (b) \$21,543,500.00 for Michigan statewide automated child  
26 welfare information system.

27 (c) \$137,882,200.00 for Michigan Medicaid information system.

28 (d) \$43,819,500.00 for child support automation.

29 (e) \$15,984,600.00 for technology supporting integrated

1 service delivery.

2 (f) \$3,762,200.00 for comprehensive child welfare information  
3 system.

4 (2) For all expenditures of funds appropriated in subsection  
5 (1), the department shall report to the senate and house  
6 appropriations subcommittees on the department budget, the senate  
7 and house fiscal agencies, and the senate and house policy offices  
8 by April 1 of the current fiscal year total information technology  
9 expenditures from the previous fiscal year and all information  
10 technology expenditures made under an agile software development  
11 plan from the previous fiscal year with details on the agile  
12 software implementation.

13 (3) From the funds appropriated as described in subsection  
14 (1)(f) for comprehensive child welfare information system, this  
15 state shall be the owner of any software purchased or developed  
16 from the expenditures made under this subsection or it shall be  
17 committed to the public domain.

18 (4) From the funds appropriated as described in subsection  
19 (1)(f) for comprehensive child welfare information system,  
20 \$1,000,000.00 of these funds shall be used by the department to  
21 choose a product owner that will implement a user-centered design  
22 that includes user stories into the development of a comprehensive  
23 child welfare information system. The department shall report by  
24 March 1 of the current fiscal year to the senate and house  
25 appropriations subcommittees on the department budget, the senate  
26 and house fiscal agencies, and the senate and house policy offices  
27 on the selection of a product owner for the comprehensive child  
28 welfare information system.

29 (5) From the funds appropriated as described in subsection

1 (1)(f) for comprehensive child welfare information system,  
2 \$1,000,000.00 of these funds shall be used by the department to  
3 provide updates as requested by the chairs of the house and senate  
4 appropriations committees or the chairs of the house and senate  
5 appropriations subcommittees on the department budget. Information  
6 updates provided by the department, upon request, shall also be  
7 accessible to the house and senate fiscal agencies, the house and  
8 senate policy offices, and the state budget office on the status of  
9 the work completed to date. The updates shall include  
10 demonstrations of the completed work during the sprint period.  
11 During these demonstrations, the department shall provide a quality  
12 assessment surveillance plan as shown in appendix B of "De-risking  
13 custom technology projects" from the United States General Services  
14 Administration. At each demonstration, the department shall  
15 validate which user stories have been included into the software  
16 development and the remaining user stories that will be included  
17 into the product.

18 (6) As used in this section:

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

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

27 (c) "User-centered design" means software development that  
28 places the highest priority on the needs of the specific people who  
29 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 toward meeting the needs of the end users.

#### **ONE-TIME APPROPRIATIONS**

Sec. 1950. From the funds appropriated in part 1 for ride-to-work program, the department shall allocate \$1,000,000.00 to a transportation agency to reduce transportation barriers to employment and expand service area under 49 USC 5310. In order to be eligible for the funding under this section, the entity must be located in a city with a population between 60,000 and 175,000 according to the most recent federal decennial census in a county with a population between 450,000 and 850,000 according to the most recent federal decennial census and utilize the dispatching system of 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, located in the same county.

Sec. 1951. From the funds appropriated in part 1 for program of all-inclusive care for the elderly pandemic relief, the department of health and human services shall provide a 1-time rate increase of 15.0% to each PACE program to cover the increase in health care costs related to the COVID pandemic.

Sec. 1952. From the funds appropriated in part 1 for former foster youth transition program grant, the department shall allocate \$1,500,000.00 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

1 the internal revenue code of 1986, 26 USC 501, located in a county  
2 with a population between 120,000 and 121,000 according to the most  
3 recent federal decennial census. The nonprofit organization  
4 recipient's purpose must be to find loving, adoptive homes for  
5 older foster children before they age out of the child welfare  
6 system. The nonprofit organization shall use the funds for  
7 necessary capital costs to convert, restore, or otherwise modify an  
8 existing structure into a habitable residential space for former or  
9 current children in foster care.

10 Sec. 1953. (1) From the funds appropriated in part 1 for  
11 hospital improvement grant, the department shall appropriate  
12 \$6,600,000.00 to a hospital located in a village with a population  
13 between 250 and 1,000 within a county with a population between  
14 66,100 and 66,800, according to the most recent federal decennial  
15 census, for physical and financial improvements. Funding in this  
16 section shall be paid to the qualifying hospital within 30 days of  
17 the effective date of this act.

18 (2) From the funds appropriated in subsection (1),  
19 \$1,600,000.00 must be utilized to expand diagnostic imaging  
20 services, including those aimed at expanding access to women's  
21 breast health services, and assistance with costs associated with  
22 state regulatory programs intended to ensure only needed services  
23 are developed in this state.

24 Sec. 1954. From the funds appropriated in part 1 for ARP -  
25 first responder and public safety staff mental health, the  
26 department shall allocate \$2,500,000.00 of coronavirus state fiscal  
27 recovery fund towards a program to support firefighters, police  
28 officers, emergency medical services personnel, dispatchers, and  
29 correctional officers suffering from post-traumatic stress syndrome

1 and other mental health conditions. The program will primarily  
2 provide grants to behavioral health providers and may also include  
3 funding to the Michigan crisis and action line established under  
4 section 165 of the mental health code, 1974 PA 258, MCL 330.1165,  
5 to improve information and referrals for these services. The  
6 program must coordinate and integrate with the Michigan crisis and  
7 access line established under section 165 of the mental health  
8 code, 1974 PA 258, MCL 330.1165.

9       Sec. 1955. From the funds appropriated in part 1 for  
10 alternative payment model pilot program, the department shall  
11 allocate \$3,400,000.00 to a clinically integrated network located  
12 in a county with a population of between 170,000 and 180,000  
13 according to the most recent federal decennial census in order to  
14 create a pilot program for an alternative payment model with a  
15 clinically integrated network, a health plan, and a FQHC located in  
16 a county with a population of between 170,000 and 180,000 according  
17 to the most recent federal decennial census. The clinically  
18 integrated network and the health plan shall work with the FQHC to  
19 operate a primary care health hub to support a Medicaid accountable  
20 care organization created by the health plan. The funding provided  
21 to the pilot program must be used to provide behavioral health  
22 services, operate a mobile health unit, offer access to more  
23 nutritious food and health education, provide maternal health and  
24 support, purchase equipment or make capital improvements to support  
25 enhanced health outcomes, purchase or develop health care related  
26 information technology, and offer supplies or programming to assist  
27 with addressing the social determinants of health.

28       Sec. 1956. From the funds appropriated in part 1 for healthy  
29 communities grant, \$1,000,000.00 shall be allocated for a 1-time



1 grant to Leaders Advancing and Helping Communities to establish a  
2 food pantry and kitchen.

3 Sec. 1959. From the funds appropriated in part 1 for substance  
4 abuse community and school outreach, the department shall allocate  
5 \$500,000.00 to a coalition located in a county with a population of  
6 at least 1,500,000 according to the most recent federal decennial  
7 census with an aim to lead and support communities to dispel the  
8 myths and stigmas about drug addiction through public education,  
9 sharing stories of recovery, partnering with local and state  
10 leaders, creating positive social changes, and providing recovery  
11 support services for those in need.

12 Sec. 1961. (1) From the funds appropriated in part 1 for jail  
13 diversion fund, the department shall allocate \$10,000,000.00 to  
14 support the jail diversion fund created by section 207c of the  
15 mental health code, 1974 PA 258, MCL 330.1207c.

16 (2) The department shall distribute grants from the jail  
17 diversion fund in accordance with sections 207d to 207f of the  
18 mental health code, 1974 PA 258, MCL 330.1207d to 330.1207f.

19 Sec. 1962. From the funds appropriated in part 1 for rural  
20 independent primary care initiative grants, the department shall  
21 allocate \$7,624,000.00 to create the financial capital necessary to  
22 ensure the sustainable operation of physician practices in  
23 medically underserved areas. The funding must only be awarded in  
24 counties with a population of fewer than 40,000 according to the  
25 most recent federal decennial census. No more than \$500,000.00 must  
26 be awarded in a county in which an award is made. The grants shall  
27 be used to ensure the sustainable operation of physician practices  
28 in medically underserved areas by funding strategic improvements  
29 and investing in infrastructure needs necessary to serve

1 communities that are at risk of losing medical care or are  
2 designated as health care shortage areas.

3 Sec. 1963. From the funds appropriated in part 1 for Great  
4 Lakes Recovery Centers, the department shall allocate a grant of  
5 \$250,000.00 to a CARF accredited agency that specializes in  
6 substance abuse and mental health treatment through certified  
7 counselors and licensed professionals across the Upper Peninsula  
8 for costs related to men's residential treatment and transition  
9 housing and women's transition housing.

10 Sec. 1964. From the funds appropriated in part 1 for crisis  
11 stabilization services and behavioral healthcare, the department  
12 shall allocate \$5,000,000.00 to a nonprofit healthcare system to  
13 improve access to behavioral healthcare services, including crisis  
14 stabilization and treatment capabilities, in the community. The  
15 nonprofit healthcare system may partner with community  
16 organizations as necessary. In order to be eligible for the funding  
17 under this section, the healthcare system must be based in a city  
18 with a population between 15,000 and 20,000 according to the most  
19 recent federal decennial census and located in a county with a  
20 population between 89,000 and 99,000 according to the most recent  
21 federal decennial census and have a stated mission of working  
22 together to provide superior quality care and promote community  
23 health.

24 Sec. 1965. From the funds appropriated in part 1 for  
25 supplemental payments to private child caring institutions,  
26 \$15,000,000.00 shall be awarded as a supplemental payment  
27 adjustment to contracted child caring institutions for abuse,  
28 neglect, and juvenile justice services to address the economic  
29 impact of the COVID-19 public health emergency.

1           Sec. 1966. From the funds appropriated in part 1 for community  
2 house capital grant, the department shall allocate \$5,000,000.00 to  
3 renovate an existing site as well as expand affordable senior  
4 housing and child care options in a city with a population between  
5 80,000 and 200,000 according to the most recent federal decennial  
6 census in a county with a population between 450,000 and 850,000  
7 according to the most recent federal decennial census. To be  
8 eligible for the funding in this section, the entity must be a  
9 nonprofit, community-based organization organized under the laws of  
10 this state that is exempt from federal income tax under section  
11 501(c)(3) of the internal revenue code of 1986, 26 USC 501,  
12 established in 1902 with a mission statement of increasing the  
13 ability of children, youth, adults, and families to succeed in a  
14 diverse community.

15           Sec. 1967. By September 30 of the current fiscal year, the  
16 department shall work with FQHCs to develop and seek any  
17 appropriate federal approvals to implement an alternative payment  
18 methodology (APM) for FQHCs in the medical assistance program and  
19 Healthy Michigan plan as authorized in 42 USC 1396a(bb)(6). The  
20 statewide APM must utilize a population-based payment model and  
21 must not utilize volume-based payments for patient visits with  
22 licensed independent practitioners. The population-based payment  
23 model must do all of the following:

24           (a) Encourage the use of a multidisciplinary healthcare team,  
25 including both licensed and lay members of the healthcare  
26 workforce.

27           (b) Provide flexibility to implement innovative healthcare  
28 delivery practices and transform services as the evidence base for  
29 various services evolves.

1 (c) Support a variety of in-person and virtual connection  
2 options between patients and their healthcare team.

3 (d) Assess quality of care and health outcomes using a  
4 reasonable set of measures, and reward quality and health outcome  
5 improvement.

6 (e) Align with the department's APM goals and strategies for  
7 health plans serving in the medical assistance program and Healthy  
8 Michigan plan, and promote health plan payment coordination with  
9 the FQHC APM.

10 (f) Represent an administratively simpler payment approach.

11 Sec. 1968. From the funds appropriated in part 1 for Upper  
12 Peninsula robotic spinal surgery capital cost grant, the department  
13 shall allocate \$2,000,000.00 to a health system that operates  
14 multiple facilities located in a county with a population between  
15 10,500 and 11,000 according to the most recent federal decennial  
16 census to acquire spinal surgery robotic equipment and the  
17 associated initial calibration, repair, and service costs.

18 Sec. 1969. From the funds appropriated in part 1 emergency  
19 homeless shelter repair and services grant, the department shall  
20 allocate \$1,000,000.00 to a nonprofit, community-based organization  
21 organized under the laws of this state that is exempt from federal  
22 income tax under section 501(c)(3) of the internal revenue code of  
23 1986, 26 USC 501, located in a city with a population between  
24 639,000 and 650,000 according to the most recent federal decennial  
25 census. In order to be eligible for the funding under this section,  
26 the entity must use the grant to make capital and infrastructure  
27 repairs to structures in order to convert the structures into  
28 emergency homeless shelters for women and children and shelters for  
29 individuals who are parolees from the department of corrections.

1           Sec. 1971. (1) From the funds appropriated in part 1 for  
2 injury control intervention - traumatic brain injury, \$5,000,000.00  
3 shall be allocated for implementation of evidence-based, real-time,  
4 quality assurance decision support software in the treatment of  
5 traumatic brain injury and for protocols that are to be available  
6 to all hospitals providing those trauma services. The funds shall  
7 be used to purchase statewide licenses for traumatic brain injury  
8 treatment software and related software services and to offset  
9 hospital software integration costs. The statewide licenses for  
10 software and related services must be purchased from the same  
11 entity from which such statewide licenses and software services  
12 were purchased, using funding from the injury control intervention  
13 project line item appropriated in section 116 of article X of 2018  
14 PA 207 and referenced in section 1228 of article X of 2018 PA 207,  
15 in fiscal year 2018-2019. The department shall seek federal  
16 matching funds that may be available for implementation of this  
17 section.

18           (2) Funds appropriated for injury control intervention -  
19 traumatic brain injury shall be considered work project funds and  
20 shall not lapse at the close of the fiscal year and shall be  
21 available for expenditures for projects under this section until  
22 the projects have been completed. The following is in compliance  
23 with section 451a(1) of the management and budget act, 1984 PA 431,  
24 MCL 18.1451a:

25           (a) The purpose of the work project is to provide funding for  
26 purchase of software to support treatment of traumatic brain injury  
27 cases.

28           (b) The projects will be accomplished by allocations to  
29 support implementation of support software.

1 (c) The total estimated cost of the work project is  
2 \$5,000,000.00.

3 (d) The tentative completion date is September 30, 2026.  
4 Sec. 1972. From the funds appropriated in part 1 for pediatric  
5 hospital support grant, the department shall allocate \$100.00 to a  
6 hospital located in a county with a population over 1,500,000  
7 according to the most recent federal decennial census, with  
8 Medicaid eligible patient volumes that are 50% or higher, and which  
9 has a level 1 verified pediatric trauma center and a verified  
10 pediatric burn center. These funds shall be used to compensate for  
11 operational losses caused by the coronavirus pandemic not yet paid  
12 by other forms of support. These funds shall be used to provide  
13 trauma services, hire replacement nursing and ancillary staff,  
14 place registered nurse graduate hires, provide individuals age 2  
15 and younger with early autism access to care, provide behavioral  
16 health services for the pediatric population, and to provide  
17 community outreach and education for trauma, burn, and injury.

18 Sec. 1975. (1) From the funds appropriated in part 1 for ARP -  
19 permanent supportive housing, the department shall appropriate  
20 \$100.00 of coronavirus state fiscal recovery fund to expand  
21 supportive housing services with the goal of serving 1,100  
22 households. The funds should prioritize people living in supportive  
23 housing who need additional services to maintain employment and  
24 stability, and currently homeless individuals moving into  
25 supportive housing with rental support. The funds should prioritize  
26 households whose children are at risk of being placed in out of  
27 home care, households who are working toward reunification with  
28 children who are out of home, and youth aging out of the foster  
29 care system.

1           (2) Funds appropriated for ARP - permanent supportive housing  
2 shall be considered work project funds and shall not lapse at the  
3 close of the fiscal year and shall be available for expenditures  
4 for projects under this section until the projects have been  
5 completed. The following is in compliance with section 451a(1) of  
6 the management and budget act, 1984 PA 431, MCL 18.1451a:

7           (a) The purpose of the work project is to provide funding for  
8 grants for eligible entities to provide permanent supportive  
9 housing services for households whose children are at risk of being  
10 placed in out of home care, households who are working toward  
11 reunification with children who are out of home, and youth aging  
12 out of foster care.

13           (b) The work project will be accomplished through partnerships  
14 with community-based agencies that provide supportive housing  
15 services, the Michigan State Housing Development Authority, and  
16 local governments to create a range of services for eligible  
17 households with a focus on obtaining federal continuum of care  
18 funding, local government funding including community development  
19 block grant revenue, private revenue, and, where available,  
20 Medicaid reimbursement.

21           (c) The total estimated cost of the work project is  
22 \$26,000,000.00.

23           (d) The tentative completion date is September 30, 2026.

24           Sec. 1979. From the funds appropriated in part 1 for ARP -  
25 eliminate health disparities, the department shall allocate  
26 \$500,000.00 of coronavirus state fiscal recovery fund to conduct an  
27 education and outreach program on uterine fibroid disparities among  
28 minority populations.

29           Sec. 1983. From the funds appropriated in part 1 for eliminate

1 health disparities, the department shall allocate \$100.00 state  
2 general fund/general purpose revenue to the Wayne State University  
3 area health education centers program. These funds shall be used to  
4 enhance the strength and diversity of the healthcare workforce.