

**SUBSTITUTE FOR
SENATE BILL NO. 79**

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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Full-time equated classified positions	14,776.8
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1	Average population	770.0	
2	GROSS APPROPRIATION		\$ 31,610,467,000
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		13,706,800
6	ADJUSTED GROSS APPROPRIATION		\$ 31,596,760,200
7	Federal revenues:		
8	Capped federal revenues		469,088,000
9	Social security act, temporary assistance for		
10	needy families		557,034,100
11	Total other federal revenues		21,913,119,900
12	Special revenue funds:		
13	Total local revenues		136,826,500
14	Total private revenues		190,865,200
15	Michigan merit award trust fund		61,268,700
16	Total other state restricted revenues		3,031,881,200
17	State general fund/general purpose		\$ 5,236,676,600
18	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
19	SUPPORT		
20	Full-time equated unclassified positions	6.0	
21	Full-time equated classified positions	760.0	
22	Unclassified salaries--FTE positions	6.0	\$ 1,230,000
23	Administrative hearings officers		9,834,500
24	Child welfare institute--FTE positions	51.0	9,131,200
25	Demonstration projects--FTE positions	7.0	7,070,800
26	Departmental administration and management--FTE		
27	positions	518.6	94,191,600
28	Office of inspector general--FTE positions	163.4	24,815,700



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



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



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



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



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



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



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



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



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



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



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



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



1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from the department of education		2,400
4	IDG from the department of licensing and		
5	regulatory affairs		811,000
6	IDG from the department of treasury, Michigan		
7	finance authority		117,700
8	Federal revenues:		
9	Social security act, temporary assistance for		
10	needy families		280,200
11	Capped federal revenues		120,300
12	Total other federal revenues		5,629,600
13	Special revenue funds:		
14	Total private revenues		865,000
15	Total other state restricted revenues		3,220,800
16	State general fund/general purpose	\$	8,311,800
17	Sec. 114. EPIDEMIOLOGY, EMERGENCY MEDICAL		
18	SERVICES, AND LABORATORY		
19	Full-time equated classified positions	350.2	
20	Bioterrorism preparedness--FTE positions	53.0	\$ 30,675,400
21	Childhood lead program--FTE positions	4.5	2,322,700
22	Emergency medical services program--FTE		
23	positions	11.3	9,422,900
24	Epidemiology administration--FTE positions	82.5	25,445,000
25	Healthy homes program--FTE positions	21.0	32,745,400
26	Laboratory services--FTE positions	91.7	26,847,000
27	Newborn screening follow-up and treatment		
28	services--FTE positions	10.5	7,897,800



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



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



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



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



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



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



1	Bridges information system	\$	63,367,200
2	Child support automation		43,819,500
3	Comprehensive child welfare information system-		
4	-FTE positions	6.0	3,762,200
5	Information technology services and projects		254,364,200
6	Michigan Medicaid information system--FTE		
7	positions	3.0	137,857,200
8	Michigan statewide automated child welfare		
9	information system		21,543,500
10	Technology supporting integrated service		
11	delivery		14,984,400
12	GROSS APPROPRIATION	\$	539,698,200
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG from department of education		1,059,700
16	Federal revenues:		
17	Social security act, temporary assistance for		
18	needy families		24,439,400
19	Capped federal revenues		21,961,900
20	Total other federal revenues		347,169,500
21	Special revenue funds:		
22	Total private revenues		25,250,000
23	Total other state restricted revenues		1,984,500
24	State general fund/general purpose	\$	117,833,200
25	Sec. 122. ONE-TIME APPROPRIATIONS		
26	E-FMAP redetermination compliance	\$	11,580,000
27	First responder and public safety staff mental		
28	health		100



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

PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

24 Sec. 201. Pursuant to section 30 of article IX of the state
 25 constitution of 1963, total state spending from state sources under
 26 part 1 for fiscal year 2021-2022 is \$8,330,762,000.00 and state
 27 spending from state sources to be paid to local units of government
 28 for fiscal year 2021-2022 is \$1,742,019,200.00. The itemized
 29 statement below identifies appropriations from which spending to



1 local units of government will occur:

2	DEPARTMENT OF HEALTH AND HUMAN SERVICES	
3	DEPARTMENTAL ADMINISTRATION AND SUPPORT	
4	Departmental administration and management	\$ 1,000
5	CHILD SUPPORT ENFORCEMENT	
6	Child support incentive payments	9,570,000
7	Legal support contracts	4,000
8	COMMUNITY SERVICES AND OUTREACH	
9	Community services and outreach administration	1,000
10	Crime victim rights services grants	10,813,000
11	Domestic violence prevention and treatment	226,000
12	Homeless programs	6,000
13	Housing and support services	126,000
14	CHILDREN'S SERVICES AGENCY - CHILD WELFARE	
15	Child care fund	144,005,000
16	Child care fund - indirect cost allotment	3,483,000
17	Child welfare licensing	84,000
18	Child welfare medical/psychiatric evaluations	12,000
19	Children's trust fund grants	35,000
20	Contractual services, supplies, and materials	8,000
21	Foster care payments	1,377,000
22	Strong families/safe children	19,000
23	Youth in transition	4,000
24	CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE	
25	Bay Pines Center	30,000
26	Community support services	274,000
27	Shawono Center	9,000
28	PUBLIC ASSISTANCE	



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



1	State disability assistance program substance	
2	use disorder services	2,018,800
3	STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL	
4	HEALTH SERVICES	
5	Caro Regional Mental Health Center -	
6	psychiatric hospital - adult	228,000
7	Center for forensic psychiatry	504,000
8	Hawthorn Center - psychiatric hospital -	
9	children and adolescents	68,000
10	Kalamazoo Psychiatric Hospital - adult	40,000
11	Walter P. Reuther Psychiatric Hospital - adult	50,000
12	HEALTH AND HUMAN SERVICES POLICY AND	
13	INITIATIVES	
14	Primary care services	99,000
15	EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND	
16	LABORATORY	
17	Epidemiology administration	354,000
18	Healthy homes program	601,000
19	LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
20	AIDS prevention, testing, and care programs	2,470,000
21	Cancer prevention and control program	71,000
22	Chronic disease control and health promotion	
23	administration	280,000
24	Essential local public health services	51,269,300
25	Local health services	2,658,000
26	Public health administration	2,000
27	Sexually transmitted disease control program	484,000
28	Smoking prevention program	152,000



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



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

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

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

- 13 (a) "AIDS" means acquired immunodeficiency syndrome.
- 14 (b) "CMHSP" means a community mental health services program
15 as that term is defined in section 100a of the mental health code,
16 1974 PA 258, MCL 330.1100a.
- 17 (c) "CMS" means the Centers for Medicare and Medicaid
18 Services.
- 19 (d) "Current fiscal year" means the fiscal year ending
20 September 30, 2022.
- 21 (e) "Department" means the department of health and human
22 services.
- 23 (f) "Director" means the director of the department.
- 24 (g) "DSH" means disproportionate share hospital.
- 25 (h) "EPSDT" means early and periodic screening, diagnosis, and
26 treatment.
- 27 (i) "Federal poverty level" means the poverty guidelines
28 published annually in the Federal Register by the United States
29 Department of Health and Human Services under its authority to



1 revise the poverty line under 42 USC 9902.

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

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

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

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

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

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

12 (p) "IDG" means interdepartmental grant.

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

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

16 (s) "Medicare" means subchapter XVIII of the social security
17 act, 42 USC 1395 to 1395III.

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

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

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

24 (w) "PAS/ARR-OBRA" means the preadmission screening and annual
25 resident review required under the omnibus budget reconciliation
26 act of 1987, section 1919(e)(7) of the social security act, 42 USC
27 1396r.

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



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

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

11 (aa) "Quarterly reports" means 4 reports shall be submitted to
12 the required recipients by the following dates: February 1, April
13 1, July 1, and September 30 of the current fiscal year.

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

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

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

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

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

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

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



1 states for family planning services.

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

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

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

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

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

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

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



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

11 (a) The dates of each travel occurrence.

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

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

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



1 appropriations committees, and the senate and house fiscal
2 agencies.

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

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

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

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

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

16 (e) Job specifications and wage rates.

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

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



1 improve the department's performance.

2 Sec. 214. Total authorized appropriations from all sources
3 under part 1 for legacy costs for the current fiscal year are
4 estimated at \$326,296,500.00. From this amount, total agency
5 appropriations for pension-related legacy costs are estimated at
6 \$182,808,800.00. Total agency appropriations for retiree health
7 care legacy costs are estimated at \$143,487,700.00.

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

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

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

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

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



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

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

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

18 (a) Immunizations.

19 (b) Communicable disease control.

20 (c) Sexually transmitted disease control.

21 (d) Tuberculosis control.

22 (e) Prevention of gonorrhoea eye infection in newborns.

23 (f) Screening newborns for the conditions listed in section
24 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
25 recommended by the newborn screening quality assurance advisory
26 committee created under section 5430 of the public health code,
27 1978 PA 368, MCL 333.5430.

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



1 (h) Prenatal care.

2 (2) By January 1 of the current fiscal year, the department
3 shall report to the house and senate appropriations subcommittees
4 on the department budget, the house and senate fiscal agencies, the
5 house and senate policy offices, and the state budget office on the
6 revisions to the list of basic health services, listed in
7 subsection (1), and program statements that have been prepared and
8 published as required under section 2311 of the public health code,
9 1978 PA 368, MCL 333.2311.

10 Sec. 219. (1) The department may contract with the Michigan
11 Public Health Institute for the design and implementation of
12 projects and for other public health-related activities prescribed
13 in section 2611 of the public health code, 1978 PA 368, MCL
14 333.2611. The department may develop a master agreement with the
15 Michigan Public Health Institute to carry out these purposes for up
16 to a 6-month period. The department shall report to the house and
17 senate appropriations subcommittees on the department budget, the
18 house and senate fiscal agencies, and the state budget director on
19 or before January 1 of the current fiscal year all of the
20 following:

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

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

25 (c) The expected project duration.

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

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



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

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

13 Sec. 221. According to section 1b of the social welfare act,
14 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this
15 part as a time-limited addendum to the social welfare act, 1939 PA
16 280, MCL 400.1 to 400.119b.

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

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

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



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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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



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

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

9 (i) Direct services to recipients.

10 (ii) Administrative expenditures.

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

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

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

17 (iii) Average TANF spending per recipient.

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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



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

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

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

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

27 Sec. 236. For behavioral and physical health services provided
28 through managed care or the fee-for-service program, the department
29 shall require 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 in cases where existing
6 work project authorization is available for the same expenditures.

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

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



1 estimating conference caseload and expenditure estimates.

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

14 Sec. 253. (1) From the funds appropriated in part 1,
15 \$254,364,200.00 is appropriated for information technology services
16 and projects. For all expenditures of funds appropriated in this
17 subsection, the department shall report to the senate and house
18 appropriations subcommittees on the department budget, the senate
19 and house fiscal agencies, and the senate and house policy offices
20 on any expenditure that was not made under an agile software
21 development plan funded with a time and materials contract.

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



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

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

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

26 (6) From the funds appropriated in part 1, \$15,984,600.00 is
27 appropriated for technology supporting integrated service delivery.
28 For all expenditures of funds appropriated in this subsection, the
29 department shall report to the senate and house appropriations



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

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

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

18 (9) From the funds appropriated in part 1, \$3,762,200.00 is
19 appropriated for comprehensive child welfare information system and
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 comprehensive
23 child welfare information system. The department shall report to
24 the 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 selection of a product owner for
27 comprehensive child welfare information system.

28 (10) From the funds appropriated in part 1, \$3,762,200.00 is
29 appropriated for comprehensive child welfare information system and



1 \$1,000,000.00 of these funds shall be used by the department to
2 provide updates as requested by the chairs of the house and senate
3 appropriations committees or the chairs of the house and senate
4 appropriations subcommittees on the department budget. Information
5 updates provided by the department, upon request, shall also be
6 accessible to the house and senate fiscal agencies, the house and
7 senate policy offices, and the state budget office on the status of
8 the work completed to date. The updates shall include
9 demonstrations of the completed work during the sprint period.
10 During these demonstrations, the department shall provide a quality
11 assessment surveillance plan as shown in appendix B of "De-risking
12 custom technology projects" from the United States General Services
13 Administration. At each demonstration, the department shall
14 validate which user stories have been included into the software
15 development and the remaining user stories that will be included
16 into the product.

17 (11) As used in this section:

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

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

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

29 (d) "User stories" means a task that the agile software



1 development team will focus on over a given 2-week development
2 period and includes clearly labeled progress towards meeting the
3 needs of the end users.

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

9 (a) The utilization of trauma-informed practices.

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

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

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

25 (2) The department shall provide written reports on a
26 semiannual basis to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal
28 agencies, and the state budget office summarizing the status of any
29 new or ongoing discussions with CMS or the United States Department



1 of Health and Human Services or other federal agency regarding
2 potential or future waiver applications as well as the status of
3 submitted waivers that have not yet received federal approval. If,
4 at the time a semiannual report is due, there are no reportable
5 items, then no report is required to be provided.

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

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

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

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

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

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

29 Sec. 274. (1) The department, in collaboration with the state



1 budget office, shall submit to the house and senate appropriations
2 subcommittees on the department budget, the house and senate fiscal
3 agencies, and the house and senate policy offices 1 week after the
4 day the governor submits to the legislature the budget for the
5 ensuing fiscal year a report on spending and revenue projections
6 for each of the capped federal funds listed below. The report shall
7 contain actual spending and revenue in the previous fiscal year,
8 spending and revenue projections for the current fiscal year as
9 enacted, and spending and revenue projections within the executive
10 budget proposal for the fiscal year beginning October 1, 2021 for
11 each individual line item for the department budget. The report
12 shall also include federal funds transferred to other departments.
13 The capped federal funds shall include, but not be limited to, all
14 of the following:

- 15 (a) TANF.
16 (b) Title XX social services block grant.
17 (c) Title IV-B part I child welfare services block grant.
18 (d) Title IV-B part II promoting safe and stable families
19 funds.
20 (e) Low-income home energy assistance program.

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

29 (3) By February 15 of the current fiscal year, the department



1 shall prepare an annual report of its efforts to identify TANF
2 maintenance of effort sources and rationale for any increases or
3 decreases from all of the following, but not limited to:

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

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

15 (2) On a quarterly basis the department shall report to the
16 house and senate appropriations subcommittees on the department
17 budget, the house and senate fiscal agencies, and the house and
18 senate policy offices on the realignment of federal fund sources
19 transacted to date in the current fiscal year under the authority
20 of subsection (1), including the dates, line items, and amounts of
21 the transactions.

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

29 Sec. 280. By March 1 of the current fiscal year, the



1 department shall provide a report to the house and senate
2 appropriations subcommittees on the department budget, the house
3 and senate fiscal agencies, the house and senate policy offices,
4 and the state budget director that provides all of the following
5 for each line item in part 1 containing personnel-related costs,
6 including the specific individual amounts for salaries and wages,
7 payroll taxes, and fringe benefits:

8 (a) FTE authorization.

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

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

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

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

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

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

28 (3) By September 30 of the current fiscal year, the department
29 shall report to the house and senate appropriations subcommittees



1 on the department budget, house and senate fiscal agencies, and
2 state budget office on the rationale for all exceptions made to
3 subsection (1) and the number of contracts terminated due to
4 violations of subsection (1).

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

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

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

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

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



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

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

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

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

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

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

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

28 (2) From funds appropriated in part 1, for all RFPs issued
29 during the current fiscal year where an existing service received



1 proposals by multiple vendors, the department shall notify all
2 vendors within 30 days after the RFP decision. The notification to
3 vendors shall include details on the RFP process, including the
4 respective RFP scores and the respective cost for each vendor. If
5 the highest scored RFP or lowest cost RFP does not receive the
6 contract for an existing service offered by the department, the
7 notification shall issue an explanation for the reasons that the
8 highest scored RFP or lowest cost RFP did not receive the contract
9 and detail the incremental cost target amount or service level
10 required that was required to migrate the service to a new vendor.
11 Additionally, the department shall include in the notification
12 details as to why a cost or service difference is justifiable if
13 the highest scored or lowest cost vendor does not receive the
14 contract.

15 (3) The department shall submit 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 by September 30 of the current fiscal year,
19 a report that includes the following:

20 (a) A summary of all RFPs issued for a contract in excess of
21 \$5,000,000.00 including whether an RFI or RFQ was considered, and
22 whether an RFI or RFQ was issued before issuing the RFP or whether
23 the issuance of an RFI or RFQ was determined not to be necessary.

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

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



1 (d) The cost or service threshold required by department
 2 policy that must be satisfied in order for an existing contract to
 3 be received by a new vendor.
 4

5 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

24 (4) Michigan 2-1-1 shall report annually to the department and
 25 the house and senate standing committees with primary jurisdiction
 26 over matters relating to human services and telecommunications on
 27 2-1-1 system performance, the senate and house appropriations
 28 subcommittees on the department budget, and the senate and house
 29 fiscal agencies, including, but not limited to, call volume by



1 health and human service needs and unmet needs identified through
2 caller data and number and percentage of callers referred to public
3 or private provider types.

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

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

20

21 **CHILD SUPPORT ENFORCEMENT**

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

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

27 (3) From the federal money received for child support
28 incentive payments, \$14,500,000.00 shall be paid to the counties
29 based on each county's performance level for each of the federal



1 performance measures as established in 45 CFR 305.2.

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

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

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

14 Sec. 409. (1) If statewide retained child support collections
15 exceed \$38,300,000.00, 75% of the amount in excess of
16 \$38,300,000.00 is appropriated to legal support contracts. This
17 excess appropriation may be distributed to eligible counties to
18 supplement and not supplant county title IV-D funding.

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

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



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

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

9
10 **COMMUNITY SERVICES AND OUTREACH**

11 Sec. 450. (1) From the funds appropriated in part 1 for school
12 success partnership program, the department shall allocate
13 \$525,000.00 of TANF revenue by December 1 of the current fiscal
14 year to support the Northeast Michigan Community Service Agency
15 programming. The department shall require the following performance
16 objectives be measured and reported for the duration of the state
17 funding for the school success partnership program:

18 (a) Increasing school attendance and decreasing chronic
19 absenteeism.

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

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

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

26 (2) By July 15 of the current fiscal year, the Northeast
27 Michigan Community Service Agency shall provide reports to the
28 department on the number of children and families served and the
29 services that were provided to families to meet the performance



1 objectives identified in this section. The department shall
2 distribute the reports within 1 week after receipt to the senate
3 and house appropriations subcommittees on the department budget,
4 the senate and house fiscal agencies, the senate and house policy
5 offices, and the state budget office.

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

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

19 (2) By March 1 of the current fiscal year, the department
20 shall submit 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 a
23 report on the total amount expended for the program in the previous
24 year, the total number of shelter nights provided, and the average
25 length of stay in an emergency shelter.

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



1 Sec. 455. As a condition of receipt of federal TANF revenue,
2 homeless shelters and human services agencies shall collaborate
3 with the department to obtain necessary TANF eligibility
4 information on families as soon as possible after admitting a
5 family to the homeless shelter. From the funds appropriated in part
6 1 for homeless programs, the department is authorized to make
7 allocations of TANF revenue only to the homeless shelters and human
8 services agencies that report necessary data to the department for
9 the purpose of meeting TANF eligibility reporting requirements.
10 Homeless shelters or human services agencies that do not report
11 necessary data to the department for the purpose of meeting TANF
12 eligibility reporting requirements will not receive reimbursements
13 that exceed the per diem amount they received in fiscal year 2000.
14 The use of TANF revenue under this section is not an ongoing
15 commitment of funding.

16 Sec. 456. From the funds appropriated in part 1 for homeless
17 programs, the department shall reimburse public service agencies
18 that provide documentation of paying birth certificate fees on
19 behalf of category 1 homeless clients at county clerk's offices.

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

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



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

4 (c) Secure electronic access for victims.

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

8 (2) By March 30 of the current fiscal year, the department
9 shall submit to the senate and house appropriations subcommittees
10 on the department budget, the senate and house fiscal agencies, the
11 senate and house policy offices, and the state budget office a
12 status report on the administration of the uniform statewide sexual
13 assault evidence kit tracking system, including operational status
14 and any known issues regarding implementation.

15 (3) The sexual assault evidence tracking fund established in
16 section 1451 of 2017 PA 158 shall continue to be maintained in the
17 department of treasury. Money in the sexual assault evidence
18 tracking fund at the close of a fiscal year remains in the sexual
19 assault evidence tracking fund and does not revert to the general
20 fund and shall be appropriated as provided by law for the
21 development and implementation of a uniform statewide sexual
22 assault evidence kit tracking system as described in subsection
23 (1).

24 (4) By September 30 of the current fiscal year, the department
25 shall submit to the senate and house appropriations subcommittees
26 on the department budget, the senate and house fiscal agencies, the
27 senate and house policy offices, and the state budget office a
28 report on the findings of the annual audit of the proper submission
29 of sexual assault evidence kits as required by and in compliance



1 with the sexual assault kit evidence submission act, 2014 PA 227,
2 MCL 752.931 to 752.935. The report must include, but is not limited
3 to, a detailed county-by-county compilation of the number of sexual
4 assault evidence kits that were properly submitted and the number
5 that met or did not meet deadlines established in the sexual
6 assault kit evidence submission act, 2014 PA 227, MCL 752.931 to
7 752.935, the number of sexual assault evidence kits retrieved by
8 law enforcement after analysis, and the physical location of all
9 released sexual assault evidence kits collected by health care
10 providers in that year, as of the date of the annual draft report
11 for each reporting agency.

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

25 Sec. 459. From the funds appropriated in part 1 for child
26 advocacy centers, the department shall maintain the recent
27 \$1,000,000.00 increase to provide additional funding to child
28 advocacy centers to support the general operations of child
29 advocacy centers. The purpose of this additional funding is to



1 increase the amount of services provided to children and their
2 families who are victims of abuse over the amount provided in the
3 previous fiscal year. None of the additional funding directed in
4 this section shall be used for purposes other than those described
5 under section 4 of the children's advocacy center act, 2008 PA 544,
6 MCL 722.1044.

7 Sec. 461. By March 1 of the current fiscal year, the
8 department shall submit 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 office a report on the total amount expended for runaway and
12 homeless youth services programs in the previous year, and the
13 total number of shelter nights for youth provided.

14 Sec. 462. (1) If funding becomes available from the funds
15 appropriated in part 1 for crime victim justice assistance grants,
16 the department shall allocate \$4,000,000.00 to implement 4 trauma
17 recovery center program pilot projects. The pilot projects shall
18 utilize the evidence-informed integrated trauma recovery services
19 model developed by the University of California - San Francisco for
20 service provision and shall be located in a city with a population
21 between 52,300 and 55,000 according to the most recent federal
22 decennial census, in a city with a population between 100,000 and
23 105,000 according to the most recent federal decennial census, in a
24 city with a population between 150,000 and 200,000 according to the
25 most recent federal decennial census, and in a city with a
26 population greater than 500,000 according to the most recent
27 federal decennial census.

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



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

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

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

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

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

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

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

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

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

19 Sec. 463. The department may, in consultation with the
20 Michigan department of education, the Michigan domestic and sexual
21 violence prevention and treatment board, and the Michigan Coalition
22 to End Domestic and Sexual Violence, redraft the curriculum for the
23 "Growing Up & Staying Healthy" and "Healthy & Responsible
24 Relationships" modules to include age-appropriate information about
25 the importance of consent, setting and respecting personal
26 boundaries, and the prevention of child sexual abuse as outlined in
27 section 1505 of the revised school code, 1976 PA 451, MCL 380.1505,
28 and consistent with the recommendations and guidelines set by the
29 task force on the prevention of sexual abuse of children created



1 under section 12b of the child protection law, 1975 PA 238, MCL
2 722.632b, and the prevention of sexual assault and dating violence.

3
4 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

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

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

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

25 Sec. 503. (1) In accordance with the final report of the
26 Michigan child welfare performance-based funding task force issued
27 in response to section 503 of article X of 2013 PA 59, the
28 department shall continue to review, update, or develop actuarially
29 sound case rates for necessary child welfare foster care case



1 management services that achieve permanency by the department and
2 private child placing agencies in a prospective payment system
3 under a performance-based funding model.

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

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

15 (4) The department, in conjunction with members from both the
16 house of representatives and senate, private child placing
17 agencies, the courts, and counties shall continue to implement the
18 recommendations that are described in the workgroup report that was
19 provided in section 503 of article X of 2013 PA 59 to establish a
20 performance-based funding model pilot program for public and
21 private child welfare services providers. The department shall
22 provide quarterly reports on the status of the performance-based
23 contracting model 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.

27 (5) From the funds appropriated in part 1 for the performance-
28 based funding model pilot, the department shall continue to work
29 with the West Michigan Partnership for Children Consortium on the



1 implementation of the performance-based funding model pilot. The
2 consortium shall accept and comprehensively assess referred youth,
3 assign cases to members of its continuum or leverage services from
4 other entities, and make appropriate case management decisions
5 during the duration of a case. The consortium shall operate an
6 integrated continuum of care structure, with services provided by
7 both private and public agencies, based on individual case needs.
8 The consortium shall demonstrate significant organizational
9 capacity and competencies, including experience with managing risk-
10 based contracts, financial strength, experienced staff and
11 leadership, and appropriate governance structure.

12 Sec. 504. (1) From the funds appropriated in part 1, the
13 department shall continue the master agreement with the West
14 Michigan Partnership for Children Consortium for the fifth year of
15 the planned 5-year agreement to pilot a performance-based child
16 welfare contracting pilot program. The consortium shall consist of
17 a network of affiliated child welfare service providers that will
18 accept and comprehensively assess referred youth, assign cases to
19 members of its continuum or leverage services from other entities,
20 and make appropriate case management decisions during the duration
21 of a case.

22 (2) As a condition for receiving the funding in part 1, the
23 West Michigan Partnership of Children Consortium shall maintain a
24 contract agreement with the department that supports a global
25 capitated payment model. The capitated payment amount shall be
26 based on historical averages of the number of children served in
27 Kent County and for the costs per foster care case. The West
28 Michigan Partnership for Children Consortium is required to manage
29 the cost of the child population it serves. The capitated payment



1 amount shall be reviewed and adjusted no less than twice during the
2 current fiscal year or due to any policy changes implemented by the
3 department that result in a volume of placements that differ in a
4 statistically significant manner from the amount allocated in the
5 annual contract between the department and the West Michigan
6 Partnership for Children as determined by an independent actuary as
7 well as to account for changes in case volumes and any statewide
8 rate increases that are implemented. The contract agreement
9 requires that the West Michigan Partnership for Children Consortium
10 shall maintain the following stipulations and conditions:

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

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

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

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

28 (3) By March 1 of the current fiscal year, the consortium
29 shall provide to the department and the house and senate



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

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

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

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

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



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

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

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

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

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

24 Sec. 511. The department shall provide reports on a semiannual
25 basis to the senate and house appropriations subcommittees on the
26 department budget, the senate and house standing committees on
27 families and human services, and the senate and house fiscal
28 agencies and policy offices on the number and percentage of
29 children who received timely physical and mental health



1 examinations after entry into foster care. The goal of the program
2 is that at least 85% of children shall have an initial medical and
3 mental health examination within 30 days after entry into foster
4 care.

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

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

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

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

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

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

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

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

29 (d) The out-of-state facility meets all of the applicable



1 licensing standards of the state in which it is located.

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

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

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

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

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

26 (i) The total number of reports of child abuse or child neglect
27 investigated under the child protection law, 1975 PA 238, MCL
28 722.621 to 722.638, and the number of cases classified under
29 category I or category II and the number of cases classified under



1 category III, category IV, or category V.

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

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

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

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

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

25 (b) New policies related to children's protective services
26 including, but not limited to, major policy changes and court
27 decisions affecting the children's protective services system
28 during the immediately preceding 12-month period. The report shall
29 also include a summary of the actions undertaken and applicable



1 expenditures to achieve compliance with the office of the auditor
2 general audit number 431-1285-16.

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

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

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

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

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

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

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

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

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

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

28 Sec. 515. If a child protection services caseworker requests
29 approval for another child protection services caseworker or other



1 department employee to accompany them on a home visit because the
2 caseworker believes it would be unsafe to conduct the home visit
3 alone, the department shall not deny the request.

4 Sec. 516. From funds appropriated in part 1 for child care
5 fund, the administrative or indirect cost payment equal to 10% of a
6 county's total monthly gross expenditures shall be distributed to
7 the county on a monthly basis and a county is not required to
8 submit documentation to the department for any of the expenditures
9 that are covered under the 10% payment as described in section
10 117a(4)(b)(ii) and (iv) of the social welfare act, 1939 PA 280, MCL
11 400.117a.

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

16 Sec. 518. Supervisors must make an initial read of a
17 caseworker's report on a child abuse or child neglect investigation
18 and note any corrections required, or approve the report, within 5
19 business days after the initial reading of a caseworker's report.
20 The caseworker must resubmit a report that needs corrections within
21 3 business days after the receipt of a report that requires
22 corrections.

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

27 Sec. 520. (1) The department shall submit a report to the
28 house and senate appropriations subcommittees on the department
29 budget, the house and senate fiscal agencies, the house and senate



1 policy offices, and the state budget office by February 15 of the
2 current fiscal year on the number of days of care and expenditures
3 by funding source for the previous fiscal year for out-of-home
4 placements by specific placement programs for child abuse or child
5 neglect and juvenile justice, including, but not limited to, paid
6 relative placement, department direct family foster care, private
7 agency supervised foster care, private child caring institutions,
8 county-supervised facilities, court-supervised facilities, and
9 independent living. The report shall also include the number of
10 days of care for department-operated residential juvenile justice
11 facilities by security classification.

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

18 Sec. 521. (1) From the funds appropriated in part 1 for child
19 care fund - indirect cost allotment, the department shall allocate
20 \$3,500,000.00 to counties and tribal governments that receive
21 reimbursements in part 1 from child care fund.

22 (2) The amount described in subsection (1) shall be
23 distributed to each county or tribal government in the same
24 proportion as indirect cost allotments are provided to counties in
25 the manner described in section 117a of the social welfare act,
26 1939 PA 280, MCL 400.117a.

27 Sec. 522. (1) From the funds appropriated in part 1 for youth
28 in transition, the department shall allocate \$750,000.00 for
29 scholarships through the fostering futures scholarship program in



1 the Michigan education trust to youths who were in foster care
2 because of child abuse or child neglect and are attending a college
3 or a career technical educational institution located in this
4 state. Of the funds appropriated, 100% shall be used to fund
5 scholarships for the youths described in this section.

6 (2) On a semiannual basis, the department shall provide a
7 report to the senate and house appropriations subcommittees on the
8 department budget, the senate and house fiscal agencies, the senate
9 and house policy offices, and the state budget office that includes
10 the number of youths who received scholarships under this section
11 and the amount of each scholarship, and the total amount of funds
12 spent or encumbered in the current fiscal year.

13 Sec. 523. (1) By February 15 of the current fiscal year, the
14 department shall submit 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 a report on the families first, family reunification, and
18 families together building solutions family preservation programs.
19 The report shall provide population and outcome data based on
20 contractually required follow-up evaluations for families who
21 received family preservation services and shall include information
22 for each program on any innovations that may increase child safety
23 and risk reduction.

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

29 (3) By October 1 of the current fiscal year, from the funds



1 appropriated in part 1 for family preservation services, the
2 department shall retain the rates established by the increase
3 provided in section 523(3) of article 6 of 2020 PA 166.

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

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

16 Sec. 526. From the funds appropriated in part 1 for court-
17 appointed special advocates, the department shall allocate
18 \$1,000,000.00 to fund a project with a nonprofit, community-based
19 organization organized under the laws of this state that are exempt
20 from federal income tax under section 501(c)(3) of the internal
21 revenue code of 1986, 26 USC 501, located in a charter township
22 with a population of between 16,000 and 17,000 according to the
23 most recent federal decennial census that is located in a county
24 with a population of between 600,000 and 605,000 according to the
25 most recent federal decennial census. The nonprofit organization
26 recipient shall have an existing network of affiliate programs
27 operating in at least 25 counties in this state. The nonprofit
28 organization shall use the funds to recruit, screen, train, and
29 supervise volunteers who provide advocacy services on behalf of



1 abused and neglected children.

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

7 (a) Cases in which there are multiple applicants as that term
8 is defined in section 22(e) of chapter X of the probate code of
9 1939, 1939 PA 288, MCL 710.22, also known as a competing party
10 case, in which the case has a consent motion pending from
11 Michigan's children's institute or the court for more than 30 days.

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

15 Sec. 529. From the funds appropriated in part 1 for family
16 preservation programs, the department shall maintain the funding
17 levels of the families first, family reunification, and families
18 together building solutions family preservation programs as of
19 September 30, 2021. For the current fiscal year as the department
20 moves towards implementation of the federal family first prevention
21 services act, Public Law 115-123, the funding available to serve
22 families through the existing family preservation programs shall
23 not be reduced or diverted to other programs.

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



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

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

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

23 Sec. 534. The department shall submit to the senate and house
24 appropriations subcommittees on the department budget, the senate
25 and house fiscal agencies, the senate and house policy offices, and
26 the state budget office by March 1 of the current fiscal year a
27 report on the adoption subsidies expenditures from the previous
28 fiscal year. The report shall include, but is not limited to, the
29 range of non-\$0.00 annual adoption support subsidy amounts, for



1 both title IV-E eligible cases and state-funded cases, paid to
2 adoptive families, the number of title IV-E and state-funded cases,
3 the number of cases in which the adoption support subsidy request
4 of adoptive parents for assistance was denied by the department,
5 and the number of adoptive parents who requested a redetermination
6 of adoption support subsidy.

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

16 (2) By March 1 of the current fiscal year, the department
17 shall submit to the senate and house appropriations subcommittees
18 on the department budget, the senate and house fiscal agencies, and
19 the senate and house policy offices a report on the number of
20 unlicensed relative placements not approved as meeting the
21 standards established for state licensing and the status of title
22 IV-E claims described in subsection (1).

23 Sec. 536. By March 1 of the current fiscal year, the
24 department shall submit to the senate and house appropriations
25 subcommittees on the department budget, the senate and house fiscal
26 agencies, and the policy offices a report on the status of the
27 department's planned and achieved implementation of the federal
28 family first prevention services act, Public Law 115-123. The
29 report shall include, but not be limited to, an estimate of the 5-



1 year spending plan for administrative and compliance costs, a
2 summary of all historical expenditures made to date for
3 implementation by line-item appropriation and program type,
4 information regarding compliance with title IV-E prevention
5 requirements, the status of statewide compliance with the qualified
6 residential treatment program requirements, a summary of provider
7 concerns with respect to requirements under the qualified
8 residential treatment program as that term is defined in section 1
9 of 1973 PA 116, MCL 722.111, a detailed methodology in determining
10 any savings realized or estimated from a reduction in congregate
11 care or residential placements, the department's conformity with
12 federal model licensing standards, the department's plan for
13 tracking and preventing child maltreatment deaths, and the
14 department's plan for extending John H. Chafee foster care
15 independence programs up to age 23.

16 Sec. 537. The department, in collaboration with child placing
17 agencies, shall continue to comply with section 1150 of the social
18 welfare act, 1939 PA 280, MCL 400.1150. Department caseworkers
19 responsible for preparing a recommendation to a court concerning a
20 juvenile placement shall provide, as part of the recommendation,
21 information regarding the requirements of section 1150 of the
22 social welfare act, 1939 PA 280, MCL 400.1150.

23 Sec. 538. By October 1 of the current fiscal year, the
24 department shall submit to the senate and house appropriations
25 subcommittees on the department budget, the senate and house fiscal
26 agencies, and the policy offices a report on the status of the
27 department's program improvement plan associated with round 3 of
28 the child and family services review (CFSR). The report shall also
29 include, but not be limited to, a specific and detailed plan to



1 provide an update on areas of substantial nonconformity identified
2 in the CF SR such as the inadequacy of caseworker training provided
3 by the department, the estimated costs necessary to reduce travel
4 time for service delivery to rural areas, plans to improve
5 caseworker engagement to reduce maltreatment in care, and steps
6 undertaken by the department to emphasize permanency in case
7 planning. Additionally, the department shall include the status for
8 items currently being implemented and the description and cost
9 estimate for the implementation for items that will be implemented
10 in the current fiscal year.

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

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

27 Sec. 546. (1) From the funds appropriated in part 1 for foster
28 care payments and from child care fund, the department shall pay
29 providers of general foster care, independent living, and trial



1 reunification services not less than a \$46.20 administrative rate.

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

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

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

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

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

28 Sec. 550. (1) The department shall not offset against
29 reimbursement payments to counties or seek reimbursement from



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

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

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

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

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

27 Sec. 558. From the funds appropriated in part 1 for child
28 welfare institute, the department shall on a quarterly basis report
29 to the house and senate appropriations subcommittees on the



1 department budget, the house and senate fiscal agencies, and the
2 house and senate policy offices on the limits in providing all
3 necessary training and materials to designated private child
4 placing agency staff in order for all pre-service training
5 requirements specified by the settlement to be completed by private
6 child placing agency staff at agency facilities. From the funds
7 appropriated in part 1 for child welfare institute, \$1,000,000.00
8 is allocated for private child placing agency staff to be trained
9 by the department in order to deliver authorized pre-service
10 training to any private child placing agency staff, regardless of
11 agency. This section does not modify or amend current licensing,
12 certification, or subject matter standards required by federal law,
13 state law, or the settlement.

14 Sec. 559. (1) From the funds appropriated in part 1 for
15 adoption support services, the department shall allocate
16 \$250,000.00 to the Adoptive Family Support Network by December 1 of
17 the current fiscal year to operate and expand its adoptive parent
18 mentor program to provide a listening ear, knowledgeable guidance,
19 and community connections to adoptive parents and children who were
20 adopted in this state or another state.

21 (2) The Adoptive Family Support Network shall submit to the
22 senate and house appropriations subcommittees on the department
23 budget, the senate and house fiscal agencies, the senate and house
24 policy offices, and the state budget office by March 1 of the
25 current fiscal year a report on the program described in subsection
26 (1), including, but not limited to, the number of cases served and
27 the number of cases in which the program prevented an out-of-home
28 placement.

29 Sec. 562. The department shall provide time and travel



1 reimbursements for foster parents who transport a foster child to
 2 parent-child visitations. As part of the foster care parent
 3 contract, the department shall provide written confirmation to
 4 foster parents that states that the foster parents have the right
 5 to request these reimbursements for all parent-child visitations.
 6 The department shall provide these reimbursements within 60 days
 7 after receiving a request for eligible reimbursements from a foster
 8 parent.

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

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

17 (3) By March 1 of the current fiscal year, the department
 18 shall provide 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 following:

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

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

27 Sec. 567. The department shall submit to the senate and house
 28 appropriations subcommittees on the department budget, the senate
 29 and house fiscal agencies, the senate and house policy offices, and



1 the state budget office by March 1 of the current fiscal year a
2 report on transfer of medical passports for children in foster
3 care, including the following:

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

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

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

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

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

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

26 (3) From the funds appropriated in part 1 for children's
27 services administration, \$1,000,000.00 is allocated for the
28 department to submit a request to the settlement monitor to define
29 caseload ratios in the settlement to only include active cases or



1 to designate a zero case weight for cases that are routed for case
2 closure but remain open to complete administrative activities.

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

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 in the previous year for grants
15 to private and community-based foster care service providers for
16 home improvements or physical exams as referenced in subsection (1)
17 and the number of grants issued.

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

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

28 (b) The number and percentage of foster parents successfully
29 retained in the previous fiscal year and how those figures compare



1 to prior fiscal years.

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

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

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

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

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

26 Sec. 592. The department shall submit quarterly reports to the
27 chairs of the house and senate standing oversight committees, the
28 house and senate appropriations subcommittees on the department
29 budget, the house and senate fiscal agencies, the house and senate



1 policy offices, and the state budget office that include data from
2 children's protective services staff for each of the following for
3 the most recent 30-day period before the report is submitted:

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

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

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

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

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

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

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

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

25 (2) By March 1 of the current fiscal year, the department
26 shall submit an annual report to the chairs of the house and senate
27 standing oversight committees, the governor's task force on child
28 abuse and neglect, the house and senate appropriations
29 subcommittees on the department budget, the house and senate fiscal



1 agencies, the house and senate policy offices, and the state budget
2 office on the findings of each county's review described in
3 subsection (1).

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

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

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



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

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

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

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

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

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

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

28

29 **PUBLIC ASSISTANCE**



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

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

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

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

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

29 (b) Is an individual with a physical or mental impairment that



1 meets federal supplemental security income disability standards,
2 except that the minimum duration of the disability shall be 90
3 days. Substance use disorder alone is not defined as a basis for
4 eligibility.

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

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

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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

27 (2) For purposes of determining housing affordability
28 eligibility for state emergency relief, a group is considered to
29 have sufficient income to meet ongoing housing expenses if their



1 total housing obligation does not exceed 75% of their total net
2 income.

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

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

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

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

17 Sec. 613. (1) The department shall provide reimbursements for
18 the final disposition of indigent persons. The reimbursements shall
19 include all of the following:

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

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

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

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

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



1 (3) The department shall report to the senate and house of
2 representatives 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 October 1 of the
5 current fiscal year on burial services payments issued from the
6 state emergency relief program during the previous fiscal year. The
7 report shall include the number of payments by burial services
8 category for the following:

9 (a) Fetus or infant under age 1 month.

10 (b) Burial with memorial service.

11 (c) Burial without memorial service.

12 (d) Cremation with memorial service

13 (e) Cremation without memorial service.

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

16 (g) Cremation permit fee for an unclaimed body.

17 (h) Disposition of an unclaimed body.

18 (i) Payment where an irrevocable funeral agreement exists.

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

26 Sec. 615. Except as required by federal law or regulations,
27 funds appropriated in part 1 shall not be used to provide public
28 assistance to a person who is not a United States citizen,
29 permanent resident alien, or refugee. This section does not



1 prohibit the department from entering into contracts with food
2 banks, emergency shelter providers, or other human services
3 agencies who may, as a normal part of doing business, provide food
4 or emergency shelter.

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

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

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

24 (2) The department shall provide quarterly reports to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house standing committees on families and
27 human services, the senate and house fiscal agencies, the senate
28 and house policy offices, and the state budget office on the
29 average Medicaid eligibility standard of promptness for each of the



1 required standards of promptness under subsection (1) and for
2 medical review team reviews achieved statewide and at each local
3 office.

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

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

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

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



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

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

7 Sec. 672. (1) The department's office of inspector general
8 shall report to the senate and house of representatives
9 appropriations subcommittees on the department budget, the senate
10 and house fiscal agencies, and the senate and house policy offices
11 by February 15 of the current fiscal year on department efforts to
12 reduce inappropriate use of Michigan bridge cards and food
13 assistance program trafficking. The department shall provide
14 information on the number of recipients of services who used their
15 electronic benefit transfer card inappropriately and the current
16 status of each case, the number of recipients whose benefits were
17 revoked, whether permanently or temporarily, as a result of
18 inappropriate use, and the number of retailers that were fined or
19 removed from the electronic benefit transfer program for permitting
20 inappropriate use of the cards. The report shall also include the
21 number of Michigan bridge card trafficking instances and overall
22 welfare fraud referrals that includes such information as the
23 number of investigations completed, fraud and intentional program
24 violation dollar amounts identified, the number of referrals to
25 prosecutors, the number of administrative hearing referrals and
26 waivers, and the number of program disqualifications imposed. The
27 report shall distinguish between savings and cost avoidance.
28 Savings include receivables established from instances of fraud
29 committed. Cost avoidance includes expenditures avoided due to



1 front-end eligibility investigations and other preemptive actions
2 undertaken in the prevention of fraud.

3 (2) The department shall require an explanation from a
4 recipient if a bridge card is replaced more than 2 times over any
5 3-month period.

6 (3) As used in this section:

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

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

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

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



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

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

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

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

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

17 (2) The department shall confirm the address provided by any
18 individual seeking family independence program benefits or state
19 disability assistance benefits.

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

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

27 Sec. 687. (1) The department shall, in quarterly reports,
28 compile and make available on its website all of the following
29 information about the family independence program, state disability



1 assistance, the food assistance program, Medicaid, and state
2 emergency relief:

3 (a) The number of applications received.

4 (b) The number of applications approved.

5 (c) The number of applications denied.

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

8 (e) The number of cases opened.

9 (f) The number of cases closed.

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

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

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

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

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

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

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

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

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



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

8
9 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

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

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

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

27 Sec. 708. (1) As a condition of receiving funds appropriated
28 in part 1 for the child care fund line item, by October 15 of the
29 current fiscal year, counties shall have an approved service



1 spending plan for the current fiscal year. Counties must submit the
2 service spending plan for the following fiscal year to the
3 department by August 15 of the current fiscal year for approval.
4 Upon submission of the county service spending plan, the department
5 shall approve within 30 calendar days after receipt of a properly
6 completed service plan that complies with the requirements of the
7 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The
8 department shall notify and submit county service spending plan
9 revisions to any county whose county service spending plan is not
10 accepted upon initial submission. The department shall not request
11 any additional revisions to a county service spending plan outside
12 of the requested revision notification submitted to the county by
13 the department. The department shall notify a county within 30 days
14 after approval that its service plan was approved.

15 (2) Counties must submit amendments to current fiscal year
16 county service plans to the department no later than August 30.
17 Counties must submit current fiscal year payable estimates to the
18 department no later than September 15.

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



1 were requested by the department.

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

13 Sec. 710. (1) The department shall create and participate in a
14 workgroup to make recommendations to ensure the use of juvenile
15 justice diversion programs in this state. The workgroup shall
16 include a representative from the department, the state court
17 administrative office, members of the house of representatives and
18 the senate, and other individuals or organizations as determined
19 appropriate by the department.

20 (2) By April 15 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 senate and house fiscal
23 agencies, the house and senate policy offices, and the state budget
24 office. The report produced by the workgroup shall include, but not
25 be limited to, all of the following:

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

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



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

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

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

7 Sec. 715. (1) As a condition of receiving funds appropriated in
8 part 1 for raise the age fund, by deadlines established and advised
9 by the department, counties or tribal entities shall have an approved
10 raise the age fund budget plan for the current fiscal year. Counties
11 must submit the raise the age fund budget plan for the current fiscal
12 year to the department by February 1 of the current fiscal year. The
13 raise the age fund budget plan shall specifically identify the types
14 of costs to be reimbursed, estimated costs for each item, and the
15 total estimated cost to be reimbursed. The types of costs to be
16 reimbursed must comply with the requirements of section 117i of the
17 social welfare act, 1939 PA 280, MCL 400.117i. \$500,000.00 of the
18 raise the age fund shall be reserved for tribal entities. A county
19 shall not receive more funding from the raise the age fund than that
20 county would receive under a grant system based on the respective
21 population of the county.

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

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



1 must submit current fiscal year payable estimates for raise the age
 2 funds to the department by deadlines established and advised by the
 3 department.

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

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

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

15

16 **FIELD OPERATIONS AND SUPPORT SERVICES**

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

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



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

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

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



1 section 2036a(a) of the food and nutrition act, 7 USC 2036, and
2 quantitative evidence that the programs contribute to a reduction
3 in obesity or an increase in the consumption of healthy foods.
4 Additionally, the report shall include planned allocation and
5 actual expenditures for the supplemental nutrition assistance
6 program education funding, planned and actual grant amounts for the
7 supplemental nutrition assistance program education funding, the
8 total amount of expected carryforward balance at the end of the
9 current fiscal year for the supplemental nutrition assistance
10 program education funding and for each subgrantee program, a list
11 of all supplemental nutrition assistance program education funding
12 programs by implementing agency, and the stated purpose of each of
13 the programs and each of the subgrantee programs.

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



1 outcomes listed above compared to the previous year, by each
2 individual outcome. It is the intent of the legislature that after
3 a 2-year period without attaining an increase in success in meeting
4 the 2 listed outcomes from the established baseline, the department
5 shall work with the participant school to examine the cause of the
6 lack of progress and shall seek to implement a plan to increase
7 success in meeting the identified outcomes. It is the intent of the
8 legislature that progress or the lack of progress made in meeting
9 the performance objectives shall be used as a determinant in future
10 pathways to 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 2
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. 850. (1) The department shall maintain out-stationed
2 eligibility specialists in community-based organizations, community
3 mental health agencies, nursing homes, adult placement and
4 independent living settings, federally qualified health centers,
5 and hospitals unless a community-based organization, community
6 mental health agency, nursing home, adult placement and independent
7 living setting, federally qualified health centers, or hospital
8 requests that the program be discontinued at its facility.

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

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

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

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

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

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

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



1 shall submit a report to the senate and house appropriations
2 subcommittees on the department budget, the senate and house fiscal
3 agencies and policy offices, and the state budget office detailing
4 information on the donated funds positions, including the total
5 number of occupied positions, the total private contribution of the
6 positions, and the total cost to the state for any nonsalary
7 expenditure for the donated funds position employees.

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

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



1 provided services by the department as a result of being victims of
2 crime or fraud.

3

4 **DISABILITY DETERMINATION SERVICES**

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

10

11 **BEHAVIORAL HEALTH SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

12 Sec. 901. The funds appropriated in part 1 are intended to
13 support a system of comprehensive community mental health services
14 under the full authority and responsibility of local CMHSPs or
15 PIHPs in accordance with the mental health code, 1974 PA 258, MCL
16 330.1001 to 330.2106, the Medicaid provider manual, federal
17 Medicaid waivers, and all other applicable federal and state laws.

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



1 contracts authorized under this subsection.

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

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

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

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

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

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

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

28 (b) Per capita expenditures in total and by client population
29 group and cultural and ethnic groups of the services area,



1 including the deaf and hard of hearing population.

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

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

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

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

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

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

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

28 (h) Performance indicator information required to be submitted
29 to the department in the contracts with CMHSPs, PIHPs, and



1 designated regional entities for substance use disorder prevention
2 and treatment.

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

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

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

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

18 (c) The number of services provided by central diagnosis and
19 referral agency, by subcontractor, and by service type.

20 Additionally, data on length of stay, referral source, and
21 participation in other state programs.

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

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



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

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

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

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

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

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

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

29 Sec. 907. (1) The amount appropriated in part 1 for community



1 substance use disorder prevention, education, and treatment shall
2 be expended to coordinate care and services provided to individuals
3 with severe and persistent mental illness and substance use
4 disorder diagnoses.

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

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

12 Sec. 908. As a condition of their contracts with the
13 department, PIHPs and CMHSPs, in consultation with the Community
14 Mental Health Association of Michigan, shall work with the
15 department to implement section 206b of the mental health code,
16 1974 PA 258, MCL 330.1206b, to establish a uniform community mental
17 health services credentialing program.

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

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



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

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

16 Sec. 912. The department shall contract directly with the
17 Salvation Army Harbor Light program to provide non-Medicaid
18 substance use disorder services if the local coordinating agency or
19 the department confirms the Salvation Army Harbor Light program
20 meets the standard of care. The standard of care shall include, but
21 is not limited to, utilization of the medication assisted treatment
22 option.

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



1 Sec. 918. On or before the twenty-fifth of each month, 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 director on the amount of funding
5 paid to PIHPs to support the Medicaid managed mental health care
6 program in the preceding month. The information shall include the
7 total paid to each PIHP, per capita rate paid for each eligibility
8 group for each PIHP, and number of cases in each eligibility group
9 for each PIHP, and year-to-date summary of eligibles and
10 expenditures for the Medicaid managed mental health care program.

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

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

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

29 Sec. 926. (1) From the funds appropriated in part 1 for



1 community substance use disorder prevention, education, and
2 treatment, \$500,000.00 is allocated for a specialized substance use
3 disorder detoxification pilot project administered by a 9-1-1
4 service district in conjunction with a substance use and case
5 management provider and at a hospital in a city with a population
6 between 95,000 and 97,000 according to the most recent federal
7 decennial census within a county with a population of at least
8 1,500,000 according to the most recent federal decennial census.
9 The hospital must have a wing with at least 10 beds dedicated to
10 stabilizing patients suffering from addiction by providing a
11 specialized trauma therapist as well as a peer support specialist
12 to assist with treatment and counseling. The department shall not
13 release funds until reporting requirements under section 926 of
14 article 6 of 2020 PA 166 are satisfied.

15 (2) The substance use and case management provider receiving
16 funds under this section shall collect and submit to the department
17 data on the outcomes of the pilot project throughout the duration
18 of the pilot project and shall provide a report on the pilot
19 project's outcomes to the house and senate appropriations
20 subcommittees on the department budget, the house and senate fiscal
21 agencies, and the state budget office.

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

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

28 (a) Create uniformity in the collection of data and consistent
29 measurement of the quality, efficacy, and cost effectiveness of



1 provided services and supports.

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

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

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

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

14 (4) A state department or agency that provides, either
15 directly or through a contract, community mental health services
16 and supports must comply with the uniform auditing process and
17 utilize the audit tool maintained by the department. All forms,
18 processes, and contracts used by the state that relate to the
19 provision of community mental health services and supports must
20 comply with the uniform auditing process.

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

27 Sec. 928. (1) Each PIHP shall provide, from internal
28 resources, local funds to be used as a part of the state match
29 required under the Medicaid program in order to increase capitation



1 rates for PIHPs. These funds shall not include either state funds
 2 received by a CMHSP for services provided to non-Medicaid
 3 recipients or the state matching portion of the Medicaid capitation
 4 payments made to a PIHP.

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

16 (3) It is the intent of the legislature that the amount of
 17 local funds used in subsection (1) be phased out and offset with
 18 state general fund/general purpose revenue in equal amounts over a
 19 5-year period.

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

27 Sec. 935. A county required under the provisions of the mental
 28 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
 29 matching funds to a CMHSP for mental health services rendered to



1 residents in its jurisdiction shall pay the matching funds in equal
2 installments on not less than a quarterly basis throughout the
3 fiscal year, with the first payment being made by October 1 of the
4 current fiscal year.

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

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

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

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

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

28 (4) The department shall notify the chairs of the
29 appropriation subcommittees on the department budget when a request



1 is made and when the department grants approval for reallocation or
 2 withdraw as described in subsection (1). By September 30 of the
 3 current fiscal year, the department shall provide a report on the
 4 amount of funding reallocated or withdrawn to the senate and house
 5 appropriations subcommittees on the department budget, the senate
 6 and house fiscal agencies, the senate and house policy offices, and
 7 the state budget office.

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

13 Sec. 959. (1) The department shall continue to convene a
 14 workgroup in collaboration with the chairs of the house and senate
 15 appropriations subcommittees on the department budget or their
 16 designees, CMHSP members, autism services provider clinical and
 17 administrative staff, community members, Medicaid autism services
 18 clients, and family members of Medicaid autism services clients to
 19 make recommendations to ensure appropriate cost and service
 20 provision, including, but not limited to, the following:

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

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

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



1 the state budget office.

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

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

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

15 (b) Require consultation with the client's evaluation
16 diagnostician and PIHP to approve the client's ongoing therapy for
17 3 years, unless the client's evaluation diagnostician recommended
18 an evaluation before the 3 years or if a clinician on the treatment
19 team recommended an evaluation for the client before the third
20 year.

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

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

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

28 (iii) A physician with a specialty in pediatrics or other
29 appropriate specialty with training, experience, or expertise in



1 autism spectrum disorders or behavioral health.

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

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

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

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

15 (d) Require that a client whose initial diagnosis was
16 performed by a diagnostician with master's level credentials have
17 their diagnosis and treatment recommendations reviewed by a
18 physician, psychiatric nurse practitioner, or fully credentialed
19 psychologist.

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

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

26 (g) Coordinate with the department of insurance and financial
27 services on oversight for compliance with the Paul Wellstone and
28 Pete Domenici mental health parity and addiction equity act of
29 2008, Public Law 110-343, as it relates to autism spectrum disorder



1 services, to ensure appropriate cost sharing between public and
2 private payers.

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

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

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

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

23 Sec. 964. By July 1 of the current fiscal year, the department
24 shall provide the house and senate appropriations subcommittees on
25 the department budget, the house and senate fiscal agencies, the
26 house and senate policy offices, and the state budget office with
27 the standardized fee schedule for Medicaid behavioral health
28 services and supports. The report shall also include the adequacy
29 standards to be used in all contracts with PIHPs and CMHSPs. In the



1 development of the standardized fee schedule for Medicaid
2 behavioral health services and supports during the current fiscal
3 year, the department must prioritize and support essential service
4 providers and must develop a standardized fee schedule for revenue
5 code 0204.

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

10 Sec. 970. The department shall maintain the policies in effect
11 on October 1, 2018 for the federal home and community-based
12 services rule as it relates to skill building assistance services.
13 The skill building assistance services shall remain eligible for
14 federal match until March 17, 2022 as stated in the CMS
15 informational bulletin dated May 9, 2017. From the funds
16 appropriated in part 1, the department shall continue to seek
17 federal matching funds for skill building assistance services. As a
18 condition of their contracts with the department, CMHSPs shall
19 retain any federally approved skill building assistance services
20 available as of October 1, 2018.

21 Sec. 972. From the funds appropriated in behavioral health
22 program administration, the department shall utilize up to
23 \$1,500,000.00 general fund/general purpose revenues, and any
24 additional federal revenues, to develop, implement, and maintain
25 the Michigan crisis and access line (MiCAL) pursuant to section 165
26 of the mental health code, 1974 PA 258, MCL 330.1165, and the
27 psychiatric bed registry pursuant to section 151 of the mental
28 health code, 1974 PA 258, MCL 330.1151. In accordance with section
29 165 of the mental health code, 1974 PA 258, MCL 330.1165, the



1 psychiatric bed registry must be integrated with and be part of the
2 MiCAL system, including any related procurement. In accordance with
3 both section 165 of the mental health code, 1974 PA 258, MCL
4 330.1165, and section 151 of the mental health code, 1974 PA 258,
5 MCL 330.1151, for MiCAL and the psychiatric bed registry,
6 respectively, any procurement or purchasing related contracts must
7 be managed by the department in conjunction with the department of
8 technology, management, and budget and state information technology
9 procurement laws, regulations, and policies. No other state
10 department or agency outside of the department, in conjunction with
11 the department of technology, management, and budget, may develop a
12 psychiatric bed registry for the purposes of compliance with
13 section 151 of the mental health code, 1974 PA 258, MCL 330.1151,
14 and section 165 of the mental health code, 1974 PA 258, MCL
15 330.1165.

16 Sec. 974. The department and PIHPs shall allow an individual
17 with an intellectual or developmental disability who receives
18 supports and services from a CMHSP to instead receive supports and
19 services from another provider if the individual shows that he or
20 she is eligible and qualified to receive supports and services from
21 another provider. Other providers may include, but are not limited
22 to, MIChoice and program of all-inclusive care for the elderly
23 (PACE).

24 Sec. 977. From the funds appropriated in part 1 for community
25 substance use disorder prevention, education, and treatment,
26 \$600,000.00 of federal state response to the opioid crisis grant
27 revenue is allocated as grants to high schools specifically
28 designated for students recovering from a substance use disorder to
29 support the costs of counselors, therapeutic staff, and recovery



1 coaching staff, with a priority placed on the cost of substance use
2 disorder counselors. Each grant shall not exceed \$150,000.00 per
3 high school.

4 Sec. 978. From the funds appropriated in part 1 for community
5 substance use disorder prevention, education, and treatment, the
6 department shall allocate \$600,000.00 of federal state response to
7 the opioid crisis grant revenue to create a competitive grant for
8 recovery community organizations to offer or expand recovery
9 support center services or recovery community center services to
10 individuals seeking long-term recovery from substance use
11 disorders. An organization may not receive a grant in excess of
12 \$150,000.00. In awarding grants, priority shall be placed on
13 recovery community organizations that do the following:

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

16 (i) Multiple recovery pathways.

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

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

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

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

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

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

28 (ii) All staff employee meetings.

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



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

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

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

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

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

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

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

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

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

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



1 recommendations of the mental health diversion council.

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

7 Sec. 996. From the funds appropriated in part 1 for family
8 support subsidy, the department shall make monthly payments of
9 \$229.31 to the parents or legal guardians of children approved for
10 the family support subsidy by a CMHSP.

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

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

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

24
25 **BEHAVIORAL HEALTH SERVICES**

26 Sec. 1001. By December 31 of the current fiscal year, each
27 CMHSP shall submit a report to the department that identifies
28 populations being served by the CMHSP broken down by program
29 eligibility category. The report shall also include the percentage



1 of the operational budget that is related to program eligibility
2 enrollment. By February 15 of the current fiscal year, the
3 department shall submit the report described in this section to the
4 senate and house appropriations subcommittees on the department
5 budget, the senate and house fiscal agencies, the senate and house
6 policy offices, and the state budget office.

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

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

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

22 Sec. 1007. The department may explore the feasibility of
23 creating a distinct standalone Medicaid delivery system for
24 individuals with an intellectual or developmental disability
25 diagnosis. By March 1 of the current fiscal year, the department
26 may provide a report that provides information on potential
27 delivery system structures, prospective number of eligible
28 individuals, possible federal Medicaid authorities, and the
29 estimated impact on current Medicaid delivery systems that



1 administer benefits for individuals with intellectual or
 2 developmental disabilities to the house and senate appropriations
 3 subcommittees on the department budget, the house and senate fiscal
 4 agencies, the house and senate policy offices, and the state budget
 5 office.

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

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

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

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

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

27 Sec. 1010. The funds appropriated in part 1 for behavioral
 28 health community supports and services must be used to expand
 29 assertive community treatment (ACT), forensic assertive community



1 treatment (FACT), and supportive housing and residential programs
2 for the purpose of reducing waiting lists at state-operated
3 hospitals and centers through cost-effective community-based
4 services.

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

12 Sec. 1012. It is the intent of the legislature that the
13 department pursue any and all federal Medicaid waivers to maximize
14 the use of federal Medicaid reimbursements for substance use
15 disorder services and treatments for justice-involved individuals.
16 As part of the executive budget presentation for the fiscal year
17 ending September 30, 2022 on behavioral health services to the
18 house and senate appropriations subcommittees on the department
19 budget, the department shall provide an update on the types of
20 substance use disorder waivers submitted by the department, whether
21 those waivers have been approved by the federal Centers for
22 Medicare and Medicaid Services, and the steps the department will
23 take to request any and all federal Medicaid waivers to maximize
24 the use of federal Medicaid reimbursements for substance use
25 disorder services and treatments.

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



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

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

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

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

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

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

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

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

29 (3) The department shall require an annual report from the



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

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

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

22

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

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



1 reimbursement management functions.

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

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

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

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

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



1 served by the operations.

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

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

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

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

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

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

29 (d) The number of individuals waiting to receive services at



1 other state-operated hospitals and centers.

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

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

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

12 (2) By March 1 of the current fiscal year, the department
13 shall report to the house and senate appropriations subcommittees
14 on the department budget, the house and senate fiscal agencies, the
15 house and senate policy offices, and the state budget office on the
16 outcomes and performance measures in subsection (1).

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

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

27 (b) A breakdown of voluntary and mandatory overtime hours
28 worked by position and by hospital, and how that compares to the
29 breakdown of voluntary and mandatory overtime hours during the



1 previous fiscal year.

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

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

12 Sec. 1062. It is the intent of the legislature that the
13 department shall provide a 5-year plan to address the need for
14 adult and children's inpatient psychiatric beds to the house and
15 senate appropriations subcommittees on the department budget, the
16 house and senate fiscal agencies, the house and senate policy
17 offices, and the state budget office. The report shall include
18 recommendations for utilizing both public and public private
19 partnership beds.

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

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

29 (a) The rate of rehospitalization for youth served through the



1 program at 30 and 180 days.

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

4
5 **HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES**

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

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

19 Sec. 1143. From the funds appropriated in part 1 for primary
20 care services, the department shall allocate no less than
21 \$675,000.00 for island primary health care access and services
22 including island clinics, in the following amounts:

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

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

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

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

27 Sec. 1144. From the funds appropriated in part 1, the
28 department shall report by June 30 of the current fiscal year
29 trended cost and utilization, including inpatient and emergency



1 department, claims data reports in aggregate by local community
2 health innovation regions (CHIRs) and specific to each Medicaid
3 health plan for their beneficiaries that were clients of local
4 CHIRs, for the period beginning with the fiscal year that ended
5 September 30, 2015 through the current fiscal year to the senate
6 and house appropriations subcommittees on the department budget,
7 the senate and house fiscal agencies, the senate and house policy
8 offices, and the state budget office.

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

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

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

28 Sec. 1151. (1) The department shall coordinate with the
29 department of licensing and regulatory affairs, the department of



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

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

24

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

26 Sec. 1180. From the funds appropriated in part 1 for
 27 epidemiology administration and for childhood lead program, the
 28 department shall maintain a public health drinking water unit and
 29 maintain enhanced efforts to monitor child blood lead levels. The



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

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

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

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



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

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

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

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

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

27 Sec. 1184. (1) From the funds appropriated in part 1 for
 28 emergency medical services program, the department shall, in
 29 coordination with the state emergency medical services coordination



1 committee established under section 20915 of the public health
2 code, 1978 PA 368, MCL 333.20915, medical control authorities, and
3 other emergency medical services organizations, review, revise, and
4 improve the process for the consideration, discussion,
5 announcement, and implementation of any changes proposed by the
6 department for emergency medical services system guidance,
7 guidelines, or protocols.

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

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

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

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

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

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

29 (5) The department shall report to the house and senate



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

6 Sec. 1186. (1) From the funds appropriated in part 1 for
 7 emergency medical services program, the department shall allocate
 8 \$3,000,000.00 to establish a statewide stroke and STEMI system of
 9 care for time-sensitive emergencies. This system must be integrated
 10 into the statewide trauma care system within the emergency medical
 11 services system and must include at least all of the following:

12 (a) The designation of facilities as stroke and STEMI
 13 facilities based on a verification that national certification or
 14 accreditation standards, as approved by the stroke advisory
 15 subcommittee and the STEMI advisory subcommittee as established
 16 under section 20910(1)(m) of the public health code, 1978 PA 368,
 17 MCL 333.20910, have been met.

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

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

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

28

29 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**



1 Sec. 1220. The amount appropriated in part 1 for
2 implementation of the 1993 additions of or amendments to sections
3 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
4 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
5 333.17015, and 333.17515, shall be used to reimburse local health
6 departments for costs incurred related to implementation of section
7 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

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

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

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



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

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

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

15 (6) From the funds appropriated in part 1 for essential local
16 public health services, each local public health department is
17 allocated not less than the amount allocated to that local public
18 health department during the previous fiscal year.

19 Sec. 1225. The department shall work with the Michigan health
20 endowment fund corporation established under section 653 of the
21 nonprofit health care corporation reform act, 1980 PA 350, MCL
22 550.1653, to explore ways to fund and evaluate current and future
23 policies and programs.

24 Sec. 1227. The department shall establish criteria for all
25 funds allocated for health and wellness initiatives. The criteria
26 must include a requirement that all programs funded be evidence-
27 based and supported by research, include interventions that have
28 been shown to demonstrate outcomes that lower cost and improve
29 quality, and be designed for statewide impact. Preference must be



1 given to programs that utilize the funding as match for additional
2 resources, including, but not limited to, federal sources.

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

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

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

29 Sec. 1233. General fund and state restricted fund



1 appropriations in part 1 shall not be expended for PFAS and
 2 environmental contamination response where federal funding or
 3 private grant funding is available for the same expenditures.

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

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

- 17 (a) Developing a list of rare diseases.
- 18 (b) Posting the list of rare diseases on the department's
 19 website.
- 20 (c) Updating the list of rare diseases every 2 years.
- 21 (d) Annually investigating and reporting to the legislature on
 22 1 rare disease on the list, and including legislative
 23 recommendations in the report.

24

25 **FAMILY HEALTH SERVICES**

26 Sec. 1301. (1) Before April 1 of the current fiscal year, the
 27 department shall submit a report to the house and senate fiscal
 28 agencies and the state budget director on planned allocations from
 29 the amounts appropriated in part 1 for local MCH services, prenatal



1 care outreach and service delivery support, family planning local
2 agreements, and pregnancy prevention programs. Using applicable
3 federal definitions, the report shall include information on all of
4 the following:

5 (a) Funding allocations.

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

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

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

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

17 Sec. 1302. Each family planning program receiving federal
18 title X family planning funds under 42 USC 300 to 300a-8 shall be
19 in compliance with all performance and quality assurance indicators
20 that the office of population affairs within the United States
21 Department of Health and Human Services specifies in the program
22 guidelines for project grants for family planning services. An
23 agency not in compliance with the indicators shall not receive
24 supplemental or reallocated funds.

25 Sec. 1303. The department shall not contract with an
26 organization that provides elective abortions, abortion counseling,
27 or abortion referrals, for services that are to be funded with
28 state restricted or state general fund/general purpose funds
29 appropriated in part 1 for family planning local agreements. An



1 organization under contract with the department shall not
2 subcontract with an organization that provides elective abortions,
3 abortion counseling, or abortion referrals, for services that are
4 to be funded with state restricted or state general fund/general
5 purpose funds appropriated in part 1 for family planning local
6 agreements.

7 Sec. 1304. The department shall not use state restricted funds
8 or state general funds, or allow grantees or subcontractors to use
9 those funds, appropriated in part 1 in the pregnancy prevention
10 program or family planning local agreements appropriation line
11 items for abortion counseling, referrals, or services.

12 Sec. 1305. (1) From the funds appropriated in part 1 for
13 family planning local agreements and the pregnancy prevention
14 program, the department shall not contract with or award grants to
15 an entity that engages in 1 or more of the activities described in
16 section 1(2) of 2002 PA 360, MCL 333.1091, if the entity is located
17 in a county or health district where family planning or pregnancy
18 prevention services are provided by the county, the health
19 district, or a qualified entity that does not engage in any of the
20 activities described in section 1(2) of 2002 PA 360, MCL 333.1091.

21 (2) The department shall give priority to counties or health
22 districts where no contracts or grants currently exist for family
23 planning or pregnancy prevention services before contracting with
24 or awarding grants to an entity that engages in 1 or more of the
25 activities described in section 1(2) of 2002 PA 360, MCL 333.1091,
26 if that entity is located in a county where family planning and
27 pregnancy prevention services are provided by the county, the
28 health district, or another qualified entity that does not engage
29 in the activities described in section 1(2) of 2002 PA 360, MCL



1 333.1091.

2 Sec. 1306. (1) From the funds appropriated in part 1 for the
3 drinking water declaration of emergency, the department shall
4 allocate funds to address needs in a city in which a declaration of
5 emergency was issued because of drinking water contamination. These
6 funds may support, but are not limited to, the following
7 activities:

8 (a) Nutrition assistance, nutritional and community education,
9 food bank resources, and food inspections.

10 (b) Epidemiological analysis and case management of
11 individuals at risk of elevated blood lead levels.

12 (c) Support for child and adolescent health centers,
13 children's healthcare access program, and pathways to potential
14 programming.

15 (d) Nursing services, breastfeeding education, evidence-based
16 home visiting programs, intensive services, and outreach for
17 children exposed to lead coordinated through local community mental
18 health organizations.

19 (e) Department field operations costs.

20 (f) Lead poisoning surveillance, investigations, treatment,
21 and abatement.

22 (g) Nutritional incentives provided to local residents through
23 the double up food bucks expansion program.

24 (h) Genesee County health department food inspectors to
25 perform water testing at local food service establishments.

26 (i) Transportation related to health care delivery.

27 (j) Senior initiatives.

28 (k) Lead abatement contractor workforce development.

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



1 water declaration of emergency, the department shall allocate
2 \$300,000.00 for Revive Community Health Center for health support
3 services as the center pursues certification as a federally
4 qualified health center.

5 (3) From the funds appropriated in part 1 for the drinking
6 water declaration of emergency, the department shall allocate
7 \$500,000.00 for rides to wellness through the Flint mass
8 transportation authority.

9 Sec. 1308. From the funds appropriated in part 1 for prenatal
10 care outreach and service delivery support, not less than
11 \$500,000.00 of funding shall be allocated for evidence-based
12 programs to reduce infant mortality including nurse family
13 partnership programs. The funds shall be used for enhanced support
14 and education to nursing teams or other teams of qualified health
15 professionals, client recruitment in areas designated as
16 underserved for obstetrical and gynecological services and other
17 high-need communities, strategic planning to expand and sustain
18 programs, and marketing and communications of programs to raise
19 awareness, engage stakeholders, and recruit nurses.

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

23 Sec. 1310. Each family planning program receiving federal
24 title X family planning funds under 42 USC 300 to 300a-8 must be in
25 compliance with all title X rules established by the Office of
26 Population Affairs within the United States Department of Health
27 and Human Services. The department shall monitor all title X family
28 planning programs to ensure compliance with all federal title X
29 rules. An agency not in compliance with the rules shall not receive



1 supplemental or reallocated funds.

2 Sec. 1311. From the funds appropriated in part 1 for prenatal
3 care outreach and service delivery support, not less than
4 \$2,750,000.00 state general fund/general purpose funds shall be
5 allocated for a rural home visit program. Equal consideration shall
6 be given to all eligible evidence-based providers in all regions in
7 contracting for rural home visitation services.

8 Sec. 1312. From the funds appropriated in part 1 for prenatal
9 care and premature birth avoidance grant, the department shall
10 allocate \$1,000,000.00 as a grant to help fulfill contract
11 obligations between the department and a federal Healthy Start
12 Program located in a county with a population between 600,000 and
13 610,000 according to the most recent decennial census. To be
14 eligible to receive funding, the organization must be a partnership
15 between various health agencies, and utilize a social impact
16 bonding strategy approved by the department to enhance support to
17 underserved populations for prenatal care and premature birth
18 avoidance.

19 Sec. 1313. (1) The department shall continue developing an
20 outreach program on fetal alcohol syndrome services, targeting
21 health promotion, prevention, and intervention.

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

25 (3) By February 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 planned spending of
29 appropriations within the department budget for fetal alcohol



1 syndrome projects and services, including appropriation line item,
2 agency or recipient entities, amount and purpose of allocation, and
3 detailed uses. The report shall include a summary of outcomes
4 accomplished by the funding investments and metrics used to
5 determine outcomes, if available.

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

13 (a) Supporting access to care.

14 (b) Reducing and eliminating barriers to care.

15 (c) Supporting recommendations for best practices.

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

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

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

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

28 (2) By February 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 standing committees
2 on health policy, the senate and house fiscal agencies, and the
3 state budget office the number of individual patients treated,
4 number of procedures performed, and approximate total market value
5 of those procedures from the previous fiscal year.

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

10 Sec. 1317. (1) From the funds appropriated in part 1 for
11 dental programs, \$1,550,000.00 of general fund/general purpose
12 revenue and any associated federal match shall be distributed to
13 local health departments who partner with a qualified nonprofit
14 provider of dental services for the purpose of providing high-
15 quality dental homes for seniors, children, and adults enrolled in
16 Medicaid, and low-income uninsured.

17 (2) In order to be considered a qualified nonprofit provider
18 of dental services, the provider must demonstrate the following:

19 (a) An effective health insurance enrollment process for
20 uninsured patients.

21 (b) An effective process of charging patients on a sliding
22 scale based on the patient's ability to pay.

23 (c) Utilization of additional fund sources including, but not
24 limited to, federal Medicaid matching funds.

25 (3) Providers shall report to the department by September 30
26 of the current fiscal year on outcomes and performance measures for
27 the program under this section including, but not limited to, the
28 following:

29 (a) The number of uninsured patients who visited a



1 participating dentist over the previous year, broken down between
2 adults and children.

3 (b) The number of patients assisted with health insurance
4 enrollment, broken down between adults and children.

5 (c) A 5-year trend of the number of uninsured patients being
6 served, broken down between adults and children.

7 (d) The number of unique patient visits by center.

8 (e) The number of unique Medicaid or Healthy Michigan plan
9 patients served broken down by center.

10 (f) The number of children, seniors, and veterans served
11 broken down by center.

12 (g) The total value of services rendered by the organization
13 broken down by center.

14 (4) Within 15 days after receipt of the report required in
15 subsection (3), the department shall provide a copy of the report
16 to the senate and house appropriations subcommittees on the
17 department budget, the senate and house fiscal agencies, the senate
18 and house policy offices, and the state budget office.

19 Sec. 1318. (1) From the funds appropriated in part 1 for
20 pregnancy resource centers, the department shall allocate \$100.00
21 as grants to pregnancy resource centers operating in this state.
22 The department shall distribute the funds equally to each pregnancy
23 resource center at an amount of not more than \$10,000.00 each.

24 (2) As used in this section, "pregnancy resource centers"
25 means private nonprofit organizations that promote childbirth and
26 alternatives to abortion, provide referrals and information, and
27 may also provide other services related to pregnancy or
28 postpregnancy.

29 Sec. 1320. It is the intent of the legislature that funds



1 appropriated in part 1 that may be expended for a public media
2 campaign regarding publicly funded family planning or pregnancy
3 prevention services shall not be used to communicate in that media
4 campaign any message that implies, states, or can be interpreted to
5 mean that abortion is a method of family planning or pregnancy
6 prevention.

7 Sec. 1322. The department shall provide a report by April 15
8 of the current fiscal year 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 office on state immunization policy and practices. The report shall
12 include all of the following items:

- 13 (a) A list of recommended vaccinations.
14 (b) The basis and rationale for inclusion of each listed item.
15 (c) The indicators, measures, and performance outcomes that
16 document improvement in human health for each listed item.

17 Sec. 1341. The department shall utilize income eligibility and
18 verification guidelines established by the Food and Nutrition
19 Service agency of the United States Department of Agriculture in
20 determining eligibility of individuals for the special supplemental
21 nutrition program for women, infants, and children (WIC) as stated
22 in current WIC policy.

23 Sec. 1342. From the funds appropriated in part 1 for family,
24 maternal, and child health administration, \$500,000.00 shall be
25 allocated for a school children's healthy exercise program to
26 promote and advance physical health for school children in
27 kindergarten through grade 8. The department shall recommend model
28 programs for sites to implement that incorporate evidence-based
29 best practices. The department shall grant the funds appropriated



1 in part 1 for before- and after-school programs. The department
 2 shall establish guidelines for program sites, which may include
 3 schools, community-based organizations, private facilities,
 4 recreation centers, or other similar sites. The program format
 5 shall encourage local determination of site activities and shall
 6 encourage local inclusion of youth in the decision-making regarding
 7 site activities. Program goals shall include children experiencing
 8 improved physical health and access to physical activity
 9 opportunities, the reduction of obesity, providing a safe place to
 10 play and exercise, and nutrition education. To be eligible to
 11 participate, program sites shall provide a 20% match to the state
 12 funding, which may be provided in full, or in part, by a
 13 corporation, foundation, or private partner. The department shall
 14 seek financial support from corporate, foundation, or other private
 15 partners for the program or for individual program sites.

16 Sec. 1343. From the funds appropriated in part 1 for dental
 17 programs, the department shall allocate \$1,760,000.00 in general
 18 fund/general purpose revenue plus any private contributions
 19 received to support the program to establish and maintain a dental
 20 oral assessment program to provide assessments to school children
 21 as provided in section 9316 of the public health code, 1978 PA 368,
 22 MCL 333.9316.

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 formula 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 effective April 1 of the current fiscal year.

11 Sec. 1361. From the funds appropriated in part 1 for medical
12 care and treatment, the department may spend those funds for the
13 continued development and expansion of telemedicine capacity to
14 allow families with children in the children's special health care
15 services program to access specialty providers more readily and in
16 a more timely manner. The department may spend funds to support
17 chronic complex care management of children enrolled in the
18 children's special health care services program to minimize
19 hospitalizations and reduce costs to the program while improving
20 outcomes and quality of life.

21
22 **AGING AND ADULT SERVICES AGENCY**

23 Sec. 1402. The department may encourage the Food Bank Council
24 of Michigan to collaborate directly with each area agency on aging
25 and any other organizations that provide senior nutrition services
26 to secure the food access of older adults.

27 Sec. 1403. (1) By February 1 of the current fiscal year, the
28 aging and adult services agency shall require each region to report
29 to the aging and adult services agency and to the legislature home-



1 delivered meals waiting lists based upon standard criteria.

2 Determining criteria shall include all of the following:

3 (a) The recipient's degree of frailty.

4 (b) The recipient's inability to prepare his or her own meals
5 safely.

6 (c) Whether the recipient has another care provider available.

7 (d) Any other qualifications normally necessary for the
8 recipient to receive home-delivered meals.

9 (2) Data required in subsection (1) shall be recorded only for
10 individuals who have applied for participation in the home-
11 delivered meals program and who are initially determined as likely
12 to be eligible for home-delivered meals.

13 Sec. 1417. The department shall provide to the senate and
14 house appropriations subcommittees on the department budget, senate
15 and house fiscal agencies, and state budget director a report by
16 March 30 of the current fiscal year that contains all of the
17 following:

18 (a) The total allocation of state resources made to each area
19 agency on aging by individual program and administration.

20 (b) Detailed expenditures by each area agency on aging by
21 individual program and administration including both state-funded
22 resources and locally funded resources.

23 Sec. 1421. From the funds appropriated in part 1 for community
24 services, \$1,100,000.00 shall be allocated to area agencies on
25 aging for locally determined needs.

26 Sec. 1422. (1) From the funds appropriated in part 1 for aging
27 and adult services administration, not less than \$300,000.00 shall
28 be allocated for the department to contract with the Prosecuting
29 Attorneys Association of Michigan to provide the support and



1 services necessary to increase the capability of the state's
2 prosecutors, adult protective service system, and criminal justice
3 system to effectively identify, investigate, and prosecute elder
4 abuse and financial exploitation.

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

13 Sec. 1425. The department shall coordinate with the department
14 of licensing and regulatory affairs to ensure that, upon receipt of
15 the order of suspension of a licensed adult foster care home, home
16 for the aged, or nursing home, the department of licensing and
17 regulatory affairs shall provide notice to the department, to the
18 house and senate appropriations subcommittees on the department
19 budget, and to the members of the house and senate that represent
20 the legislative districts of the county in which the facility lies.

21 Sec. 1426. From the funds appropriated in part 1 for community
22 services, \$40,000.00 shall be allocated to expand existing friendly
23 reassurance and friendly caller programs through the area agencies
24 on aging. The purpose of these programs is to allow an older person
25 to voluntarily sign up to receive a daily or weekly call checking
26 on the older person's well-being and possible conversation with an
27 individual. The program shall be available to all residents of this
28 state age 60 or older and shall target isolated or homebound
29 seniors to provide a check on mental health, physical health and



1 wellness, and address feelings of loneliness or depression.

2
3 **MEDICAL SERVICES ADMINISTRATION**

4 Sec. 1505. By March 1 of the current fiscal year, the
5 department shall submit a report to the senate and house
6 appropriations subcommittees on the department budget, the senate
7 and house fiscal agencies, and the state budget office on the
8 actual reimbursement savings and cost offsets that have resulted
9 from the funds appropriated in part 1 for the office of inspector
10 general and third party liability efforts in the previous fiscal
11 year.

12 Sec. 1507. From the funds appropriated in part 1 for office of
13 inspector general, the inspector general shall audit and recoup
14 inappropriate or fraudulent payments from Medicaid managed care
15 organizations to health care providers. Unless authorized by
16 federal or state law, the department shall not fine, temporarily
17 halt operations of, disenroll as a Medicaid provider, or terminate
18 a managed care organization or health care provider from providing
19 services due to the discovery of an inappropriate payment found
20 during the course of an audit.

21 Sec. 1508. The department shall not use funds appropriated in
22 part 1 to contract with any private company that has reached a
23 settlement with this state resolving investigations into the
24 company's role providing consulting services to manufacturers of
25 opioids in connection with designing the marketing plans and
26 programs that helped cause and contributed to the opioid crisis in
27 this state.

28 Sec. 1511. On a monthly basis, the department shall work with
29 the department of labor and economic opportunity to report to the



1 senate and house appropriations subcommittees on the department
2 budget, the senate and house fiscal agencies, the senate and house
3 policy offices, and the state budget office on the utilization of
4 workforce development programs by Healthy Michigan plan recipients
5 through Michigan Works! The report shall include, but not be
6 limited to, all of the following:

7 (a) The number of recipients currently receiving employment
8 supports and services through workforce development programs.

9 (b) The total year-to-date number of recipients who have
10 received employment supports and services through workforce
11 development programs.

12 (c) The number of recipients who secured employment in this
13 state after receiving employment supports and services through
14 workforce development programs.

15 (d) A summary of employment supports and services provided to
16 recipients through workforce development programs.

17 Sec. 1512. The updated Medicaid utilization and net cost
18 report shall continue to separate nonclinical administrative costs
19 from actual claims and encounters.

20 Sec. 1513. (1) The department shall participate in a workgroup
21 to determine an equitable and adequate reimbursement methodology
22 for Medicaid inpatient psychiatric hospital care. The workgroup
23 shall include representatives from the department, CMHSPs, PIHPs,
24 the Michigan Association of Health Plans, the Michigan Health and
25 Hospital Association, inpatient psychiatric facilities, Blue Cross
26 Blue Shield of Michigan, the Community Mental Health Association of
27 Michigan, and other individuals or organizations as determined
28 appropriate by the department.

29 (2) By September 30 of the current fiscal year, the workgroup



1 shall report to the senate and house appropriations subcommittees
2 on the department budget, the senate and house fiscal agencies, the
3 senate and house policy offices, and the state budget office on the
4 implementation of recommendations made by the workgroup required by
5 section 1513 of 2019 PA 67. The report shall include, but is not
6 limited to, the following:

7 (a) Descriptions of the recommendations being implemented.

8 (b) Descriptions of the recommendations not being implemented
9 and barriers preventing implementation.

10 (3) The department shall assist in providing data to inform
11 the workgroup discussion, assist in modeling appropriate
12 reimbursement methods, and assist in developing the final report.

13 Sec. 1514. From the funds appropriated in part 1 for medical
14 services administration, the department shall allocate \$300,000.00
15 general fund/general purpose revenue and any associated federal
16 match to support a predictive modeling tool to improve provider
17 billing accuracy and reduce fraud, waste, and abuse in the Medicaid
18 program. The tool must provide a prepayment cost avoidance solution
19 that uses statistical predictive modeling techniques to identify
20 outlier claims.

21 Sec. 1515. A qualified job placement agency may request
22 contact information from the department for Healthy Michigan plan
23 recipients for the geographic region the agency services. This
24 contact information shall not include personal health information
25 or extensive personal identifying information. For the purposes of
26 this section, a "qualified job placement agency" means a regional
27 Michigan Works! agency or another nonprofit, governmental, or
28 quasi-governmental body that provides job placement assistance as
29 designated by the department.



1

2 **MEDICAL SERVICES**

3 Sec. 1601. The cost of remedial services incurred by residents
4 of licensed adult foster care homes and licensed homes for the aged
5 shall be used in determining financial eligibility for the
6 medically needy. Remedial services include basic self-care and
7 rehabilitation training for a resident.

8 Sec. 1605. The protected income level for Medicaid coverage
9 determined pursuant to section 106(1)(b) (iii) of the social welfare
10 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
11 assistance standard.

12 Sec. 1606. For the purpose of guardian and conservator
13 charges, the department may deduct up to \$83.00 per month as an
14 allowable expense against a recipient's income when determining
15 medical services eligibility and patient pay amounts.

16 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
17 condition is pregnancy, shall immediately be presumed to be
18 eligible for Medicaid coverage unless the preponderance of evidence
19 in her application indicates otherwise. The applicant who is
20 qualified as described in this subsection shall be allowed to
21 select or remain with the Medicaid participating obstetrician of
22 her choice.

23 (2) All qualifying applicants shall be entitled to receive all
24 medically necessary obstetrical and prenatal care without
25 preauthorization from a health plan. All claims submitted for
26 payment for obstetrical and prenatal care shall be paid at the
27 Medicaid fee-for-service rate in the event a contract does not
28 exist between the Medicaid participating obstetrical or prenatal
29 care provider and the managed care plan. The applicant shall



1 receive a listing of Medicaid physicians and managed care plans in
2 the immediate vicinity of the applicant's residence.

3 (3) In the event that an applicant, presumed to be eligible
4 under subsection (1), is subsequently found to be ineligible, a
5 Medicaid physician or managed care plan that has been providing
6 pregnancy services to an applicant under this section is entitled
7 to reimbursement for those services until they are notified by the
8 department that the applicant was found to be ineligible for
9 Medicaid.

10 (4) If the preponderance of evidence in an application
11 indicates that the applicant is not eligible for Medicaid, the
12 department shall refer that applicant to the nearest public health
13 clinic or similar entity as a potential source for receiving
14 pregnancy-related services.

15 (5) The department shall develop an enrollment process for
16 pregnant women covered under this section that facilitates the
17 selection of a managed care plan at the time of application.

18 (6) The department shall mandate enrollment of women, whose
19 qualifying condition for Medicaid is pregnancy, into Medicaid
20 managed care plans.

21 (7) The department shall encourage physicians to provide
22 women, whose qualifying condition for Medicaid is pregnancy, with a
23 referral to a Medicaid participating dentist at the first
24 pregnancy-related appointment.

25 Sec. 1611. (1) For care provided to medical services
26 recipients with other third-party sources of payment, medical
27 services reimbursement shall not exceed, in combination with such
28 other resources, including Medicare, those amounts established for
29 medical services-only patients. The medical services payment rate



1 shall be accepted as payment in full. Other than an approved
2 medical services co-payment, no portion of a provider's charge
3 shall be billed to the recipient or any person acting on behalf of
4 the recipient. This section does not affect the level of payment
5 from a third-party source other than the medical services program.
6 The department shall require a nonenrolled provider to accept
7 medical services payments as payment in full.

8 (2) Notwithstanding subsection (1), medical services
9 reimbursement for hospital services provided to dual
10 Medicare/medical services recipients with Medicare part B coverage
11 only shall equal, when combined with payments for Medicare and
12 other third-party resources, if any, those amounts established for
13 medical services-only patients, including capital payments.

14 Sec. 1615. (1) To minimize errors and overpayments, and to
15 ensure the quality of actuarial rate setting of capitated rates,
16 the department shall provide effective oversight and ensure the
17 integrity of encounter claims submitted to the department by
18 Medicaid health plans.

19 (2) The department may require Medicaid health plans to
20 provide medical records to support claims data, upon request by the
21 department. This subsection shall not require the disclosure of
22 personal identifying information or any information that would be
23 in violation of the health insurance portability and accountability
24 act of 1996, Public Law 104-191.

25 (3) It is the intent of the legislature that the department
26 perform annual internal audits of Medicaid claims provided by
27 Medicaid health plans and report the findings to the house and
28 senate appropriations subcommittees on the department budget, the
29 house and senate fiscal agencies, the house and senate policy



1 offices, and the state budget office. Internal audits performed
2 under this subsection shall be conducted utilizing quantitative
3 methodologies that provide for valid statistical results to
4 include, but not be limited to, minimizing the impact of selection
5 bias and insufficient sample sizes.

6 (4) If an internal audit performed in accordance with this
7 section identifies discrepancies in the quality of actuarial rates,
8 the department shall develop and implement actuarial procedures to
9 reconcile encounter claims data and shall provide for a publicly
10 available explanation of these procedures on the department's
11 website.

12 Sec. 1616. (1) By September 30 of the current fiscal year, the
13 department shall do all of the following:

14 (a) Seek federal authority, through applicable means, to
15 enroll Community Health Workers (CHWs) as Medicaid providers and
16 utilize federal Medicaid matching funds for CHW services. The
17 authority should allow the application of CHWs statewide and
18 maximize their utility by providing financing for all services
19 commensurate to their scope of training and abilities as provided
20 by evidence-based research and programs. As used in this
21 subdivision, "financing" means fee-for-service reimbursement and
22 value-based payment, or a combination of both.

23 (b) Develop and test a value-based payment approach for CHWs,
24 based on shared risk, that provides incentives to Medicaid managed
25 care organizations and other health plans to use CHWs to improve
26 the quality and cost of care, and patient satisfaction, with a
27 subsequent goal of identifying any potential to expand the number
28 of community-based CHWs that provide preventive services education
29 and care coordination within community-based human services



1 organizations, public health agencies, primary care providers,
2 hospitals, health care systems, and other appropriate locations.

3 (c) Identify the ratio of CHWs to Medicaid managed care
4 organization beneficiaries that is optimal to meet the needs of
5 Medicaid managed care organization beneficiaries in each county in
6 this state.

7 (d) Identify the ratio of CHWs to individuals that is optimal
8 to meet the needs of high-risk individuals in each county in this
9 state.

10 (2) By September 30 of the current fiscal year, the department
11 shall report to the senate and house appropriations subcommittees
12 on the department budget, the senate and house fiscal agencies, the
13 senate and house policy offices, and the state budget office on the
14 progress of meeting the criteria in subsection (1).

15 Sec. 1620. (1) For fee-for-service Medicaid claims, the
16 professional dispensing fee for drugs indicated as specialty
17 medications on the Michigan pharmaceutical products list is \$20.02
18 or the pharmacy's submitted dispensing fee, whichever is less.

19 (2) For fee-for-service Medicaid claims, for drugs not
20 indicated as specialty drugs on the Michigan pharmaceutical
21 products list, the professional dispensing fee for medications is
22 as follows:

23 (a) For medications indicated as preferred on the department's
24 preferred drug list, \$10.80 or the pharmacy's submitted dispensing
25 fee, whichever is less.

26 (b) For medications not on the department's preferred drug
27 list, \$10.64 or the pharmacy's submitted dispensing fee, whichever
28 is less.

29 (c) For medications indicated as nonpreferred on the



1 department's preferred drug list, \$9.00 or the pharmacy's submitted
2 dispensing fee, whichever is less.

3 (3) The department shall require a prescription co-payment for
4 Medicaid recipients not enrolled in the Healthy Michigan plan or
5 with an income less than 100% of the federal poverty level of \$1.00
6 for a generic drug or any drug indicated as preferred on the
7 department's preferred drug list and \$3.00 for a brand-name drug
8 not indicated as preferred on the department's preferred drug list,
9 except as prohibited by federal or state law or regulation.

10 (4) The department shall require a prescription co-payment for
11 Medicaid recipients enrolled in the Healthy Michigan plan with an
12 income of at least 100% of the federal poverty level of \$4.00 for a
13 generic drug or any drug indicated as preferred on the department's
14 preferred drug list and \$8.00 for a brand-name drug not indicated
15 as preferred on the department's preferred drug list, except as
16 prohibited by federal or state law or regulation.

17 Sec. 1625. The department shall contractually require Medicaid
18 managed care organizations to require their pharmacy benefit
19 managers to do all of the following:

20 (a) For pharmacies with not more than 7 retail outlets,
21 utilize a pharmacy reimbursement methodology of the lesser of the
22 national average drug acquisition cost or the pharmacy-submitted
23 ingredient cost plus a professional dispensing fee comparable to
24 the applicable professional dispensing fee provided through section
25 1620, or the usual and customary charge by the pharmacy. The
26 pharmacy benefit manager or the involved pharmacy services
27 administrative organization shall not receive any portion of the
28 additional professional dispensing fee. The department shall
29 identify the pharmacies this subdivision applies to and provide the



1 list of applicable pharmacies to the Medicaid managed care
2 organizations.

3 (b) For pharmacies with not more than 7 retail outlets,
4 utilize a pharmacy reimbursement methodology, when a national
5 average drug acquisition cost price is not available, for brand
6 drugs of the lesser of the wholesale acquisition cost plus a
7 professional dispensing fee comparable to the applicable
8 professional dispensing fee provided through section 1620, or the
9 usual and customary charge by the pharmacy. The department shall
10 identify the pharmacies this subdivision applies to and provide the
11 list of applicable pharmacies to the Medicaid managed care
12 organizations.

13 (c) For pharmacies with not more than 7 retail outlets,
14 utilize a pharmacy reimbursement methodology, when a national
15 average drug acquisition cost price is not available, for generic
16 drugs of the lesser of wholesale acquisition cost plus a
17 professional dispensing fee comparable to the applicable
18 professional dispensing fee provided through section 1620, or the
19 usual and customary charge by the pharmacy. The department shall
20 identify the pharmacies this subdivision applies to and provide the
21 list of applicable pharmacies to the Medicaid managed care
22 organizations.

23 (d) Reimburse for a legally valid claim at a rate not less
24 than the rate in effect at the time the original claim adjudication
25 as submitted at the point of sale.

26 (e) Agree to move to a transparent "pass-through" pricing
27 model, in which the pharmacy benefit manager discloses the
28 administrative fee as a percentage of the professional dispensing
29 costs to the department.



1 (f) Agree to not create new pharmacy administration fees and
2 to not increase current fees more than the rate of inflation. This
3 subdivision does not apply to any federal rule or action that
4 creates a new fee.

5 (g) Agree to not terminate an existing contract with a
6 pharmacy with not more than 7 retail outlets for the sole reason of
7 the additional professional dispensing fee authorized under this
8 section.

9 Sec. 1626. (1) By January 15 of the current fiscal year, each
10 pharmacy benefit manager that receives reimbursements, either
11 directly or through a Medicaid health plan, from the funds
12 appropriated in part 1 for medical services must submit all of the
13 following information to the department for the previous fiscal
14 year:

15 (a) The total number of prescriptions that were dispensed.

16 (b) The total wholesale acquisition cost for each drug on its
17 formulary.

18 (c) The total amount of rebates, discounts, and price
19 concessions that the pharmacy benefit manager received for each
20 drug on its formulary. The amount of rebates shall include any
21 utilization discounts the pharmacy benefit manager receives from a
22 manufacturer.

23 (d) The total amount of administrative fees that the pharmacy
24 benefit manager received from all pharmaceutical manufacturers.

25 (e) The total amount identified in subdivisions (b) and (c)
26 that were retained by the pharmacy benefit manager and did not pass
27 through to the department or to the Medicaid health plan.

28 (f) The total amount of reimbursements the pharmacy benefit
29 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, 2021.

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. 1629. The department shall utilize maximum allowable cost
25 pricing for generic drugs that is based on wholesaler pricing to
26 providers that is available from at least 2 wholesalers who deliver
27 in this state.

28 Sec. 1631. (1) The department shall require co-payments on
29 dental, podiatric, and vision services provided to Medicaid



1 recipients, except as prohibited by federal or state law or
2 regulation.

3 (2) Except as otherwise prohibited by federal or state law or
4 regulation, the department shall require Medicaid recipients not
5 enrolled in the Healthy Michigan plan or with an income less than
6 100% of the federal poverty level to pay not less than the
7 following co-payments:

8 (a) Two dollars for a physician office visit.

9 (b) Three dollars for a hospital emergency room visit.

10 (c) Fifty dollars for the first day of an inpatient hospital
11 stay.

12 (d) Two dollars for an outpatient hospital visit.

13 (3) Except as otherwise prohibited by federal or state law or
14 regulation, the department shall require Medicaid recipients
15 enrolled in the Healthy Michigan plan with an income of at least
16 100% of the federal poverty level to pay the following co-payments:

17 (a) Four dollars for a physician office visit.

18 (b) Eight dollars for a hospital emergency room visit.

19 (c) One hundred dollars for the first day of an inpatient
20 hospital stay.

21 (d) Four dollars for an outpatient hospital visit or any other
22 medical provider visit to the extent allowed by federal or state
23 law or regulation.

24 Sec. 1641. An institutional provider that is required to
25 submit a cost report under the medical services program shall
26 submit cost reports completed in full within 5 months after the end
27 of its fiscal year.

28 Sec. 1645. (1) It is the intent of the legislature that the
29 department establish the class I nursing facility current asset



1 value bed limit based on the rolling 15-year history of new
2 construction.

3 (2) It is the intent of the legislature that, for the fiscal
4 year beginning October 1, 2021, the department modify the class I
5 nursing facility current asset value bed limit based on the rolling
6 15-year history of new construction. The increase in the current
7 asset value bed limit shall not exceed 4% of the limit for the
8 fiscal year beginning October 1, 2019.

9 Sec. 1646. (1) From the funds appropriated in part 1 for long-
10 term care services, the department shall continue to administer a
11 nursing facility quality measure initiative program. The initiative
12 shall be financed through the quality assurance assessment for
13 nursing homes and hospital long-term care units, and the funds
14 shall be distributed according to the following criteria:

15 (a) The department shall award more dollars to nursing
16 facilities that have a higher CMS 5-star quality measure domain
17 rating, then adjusted to account for both positive and negative
18 aspects of a patient satisfaction survey.

19 (b) A nursing facility with a CMS 5-star quality measure
20 domain star rating of 1 or 2 must file an action plan with the
21 department describing how it intends to use funds appropriated
22 under this section to increase quality outcomes before funding
23 shall be released.

24 (c) The total incentive dollars must reflect the following
25 Medicaid utilization scale:

26 (i) For nursing facilities with a Medicaid participation rate
27 of above 63%, the facility shall receive 100% of the incentive
28 payment.

29 (ii) For nursing facilities with a Medicaid participation rate



1 between 50% and 63%, the facility shall receive 75% of the
2 incentive payment.

3 (iii) For nursing facilities with a Medicaid participation rate
4 of less than 50%, the facility shall receive a payment
5 proportionate to their Medicaid participation rate.

6 (iv) For nursing facilities not enrolled in Medicaid, the
7 facility shall not receive an incentive payment.

8 (d) Facilities designated as special focus facilities are not
9 eligible for any payment under this section.

10 (e) Number of licensed beds.

11 (2) The department and nursing facility representatives shall
12 evaluate the quality measure incentive program's effectiveness on
13 quality, measured by the change in the CMS 5-star quality measure
14 domain rating since the implementation of quality measure incentive
15 program. By March 1 of the current fiscal year, the department
16 shall report to the senate and house appropriations subcommittees
17 on the department budget, the senate and house fiscal agencies, and
18 the senate and house policy offices on the findings of the
19 evaluation.

20 Sec. 1657. (1) Reimbursement for medical services to screen
21 and stabilize a Medicaid recipient, including stabilization of a
22 psychiatric crisis, in a hospital emergency room shall not be made
23 contingent on obtaining prior authorization from the recipient's
24 HMO. If the recipient is discharged from the emergency room, the
25 hospital shall notify the recipient's HMO within 24 hours of the
26 diagnosis and treatment received.

27 (2) If the treating hospital determines that the recipient
28 will require further medical service or hospitalization beyond the
29 point of stabilization, that hospital shall receive authorization



1 from the recipient's HMO prior to admitting the recipient.

2 (3) Subsections (1) and (2) do not require an alteration to an
3 existing agreement between an HMO and its contracting hospitals and
4 do not require an HMO to reimburse for services that are not
5 considered to be medically necessary.

6 Sec. 1662. (1) The department shall ensure that an external
7 quality review of each contracting HMO is performed that results in
8 an analysis and evaluation of aggregated information on quality,
9 timeliness, and access to health care services that the HMO or its
10 contractors furnish to Medicaid beneficiaries.

11 (2) The department shall require Medicaid HMOs to provide
12 EPSDT utilization data through the encounter data system, and HEDIS
13 well child health measures in accordance with the National
14 Committee for Quality Assurance prescribed methodology.

15 (3) The department shall provide a copy of the analysis of the
16 Medicaid HMO annual audited HEDIS reports and the annual external
17 quality review report to the senate and house appropriations
18 subcommittees on the department budget, the senate and house fiscal
19 agencies, and the state budget director, within 30 days of the
20 department's receipt of the final reports from the contractors.

21 Sec. 1670. (1) The appropriation in part 1 for the MICHild
22 program is to be used to provide comprehensive health care to all
23 children under age 19 who reside in families with income at or
24 below 212% of the federal poverty level, who are uninsured and have
25 not had coverage by other comprehensive health insurance within 6
26 months after applying for MICHild benefits, and who are residents
27 of this state. The department shall develop detailed eligibility
28 criteria through the medical services administration public
29 concurrence process, consistent with the provisions of this part



1 and part 1.

2 (2) The department may provide up to 1 year of continuous
3 eligibility to children eligible for the MICHild program unless the
4 family fails to pay the monthly premium, a child reaches age 19, or
5 the status of the children's family changes and its members no
6 longer meet the eligibility criteria as specified in the state
7 plan.

8 (3) The department may make payments on behalf of children
9 enrolled in the MICHild program as described in the MICHild state
10 plan approved by the United States Department of Health and Human
11 Services, or from other medical services.

12 Sec. 1673. The department may establish premiums for MICHild
13 eligible individuals in families with income at or below 212% of
14 the federal poverty level. The monthly premiums shall be \$10.00 per
15 month.

16 Sec. 1677. The MICHild program shall provide, at a minimum,
17 all benefits available under the Michigan benchmark plan that are
18 delivered through contracted providers and consistent with federal
19 law, including, but not limited to, the following medically
20 necessary services:

21 (a) Inpatient mental health services, other than substance use
22 disorder treatment services, including services furnished in a
23 state-operated mental hospital and residential or other 24-hour
24 therapeutically planned structured services.

25 (b) Outpatient mental health services, other than substance
26 use disorder services, including services furnished in a state-
27 operated mental hospital and community-based services.

28 (c) Durable medical equipment and prosthetic and orthotic
29 devices.



1 (d) Dental services as outlined in the approved MIChild state
2 plan.

3 (e) Substance use disorder treatment services that may include
4 inpatient, outpatient, and residential substance use disorder
5 treatment services.

6 (f) Care management services for mental health diagnoses.

7 (g) Physical therapy, occupational therapy, and services for
8 individuals with speech, hearing, and language disorders.

9 (h) Emergency ambulance services.

10 Sec. 1682. (1) In addition to the appropriations in part 1,
11 the department is authorized to receive and spend penalty money
12 received as the result of noncompliance with medical services
13 certification regulations. Penalty money, characterized as private
14 funds, received by the department shall increase authorizations and
15 allotments in the long-term care accounts.

16 (2) Any unexpended penalty money, at the end of the year,
17 shall carry forward to the following year.

18 Sec. 1692. (1) The department is authorized to pursue
19 reimbursement for eligible services provided in Michigan schools
20 from the federal Medicaid program. The department and the state
21 budget director are authorized to negotiate and enter into
22 agreements, together with the department of education, with local
23 and intermediate school districts regarding the sharing of federal
24 Medicaid services funds received for these services. The department
25 is authorized to receive and disburse funds to participating school
26 districts pursuant to such agreements and state and federal law.

27 (2) From the funds appropriated in part 1 for medical services
28 school-based services payments, the department is authorized to do
29 all of the following:



1 (a) Finance activities within the medical services
2 administration related to this project.

3 (b) Reimburse participating school districts pursuant to the
4 fund-sharing ratios negotiated in the state-local agreements
5 authorized in subsection (1).

6 (c) Offset general fund costs associated with the medical
7 services program.

8 Sec. 1693. The special Medicaid reimbursement appropriation in
9 part 1 may be increased if the department submits a medical
10 services state plan amendment pertaining to this line item at a
11 level higher than the appropriation. The department is authorized
12 to appropriately adjust financing sources in accordance with the
13 increased appropriation.

14 Sec. 1694. From the funds appropriated in part 1 for special
15 Medicaid reimbursement, \$1,121,400.00 of general fund/general
16 purpose revenue and any associated federal match shall be
17 distributed for poison control services to an academic health care
18 system that has a high indigent care volume.

19 Sec. 1696. It is the intent of the legislature that if an
20 applicant for Medicaid coverage through the Healthy Michigan plan
21 received medical coverage in the previous fiscal year through
22 traditional Medicaid, and is still eligible for coverage through
23 traditional Medicaid, the applicant is not eligible to receive
24 coverage through the Healthy Michigan plan.

25 Sec. 1697. The department shall require that Medicaid health
26 plans administering Healthy Michigan plan benefits maintain a
27 network of dental providers in sufficient numbers, mix, and
28 geographic locations throughout their respective service areas in
29 order to provide adequate dental care for Healthy Michigan plan



1 enrollees.

2 Sec. 1699. (1) The department may make separate payments in
3 the amount of \$45,000,000.00 directly to qualifying hospitals
4 serving a disproportionate share of indigent patients and to
5 hospitals providing GME training programs. If direct payment for
6 GME and DSH is made to qualifying hospitals for services to
7 Medicaid recipients, hospitals shall not include GME costs or DSH
8 payments in their contracts with HMOs.

9 (2) The department shall allocate \$45,000,000.00 in DSH
10 funding using the distribution methodology used in fiscal year
11 2003-2004.

12 Sec. 1700. By December 1 of the current fiscal year, the
13 department shall report to the senate and house appropriations
14 subcommittees on the department budget, the senate and house fiscal
15 agencies, and the state budget office on the distribution of
16 funding provided, and the net benefit if the special hospital
17 payment is not financed with general fund/general purpose revenue,
18 to each eligible hospital during the previous fiscal year from the
19 following special hospital payments:

20 (a) DSH, separated out by unique DSH pool.

21 (b) GME.

22 (c) Special rural hospital payments provided under section
23 1802(2) of this part.

24 (d) Lump-sum payments to rural hospitals for obstetrical care
25 provided under section 1802(1) of this part.

26 Sec. 1702. From the funds appropriated in part 1, the
27 department shall provide a 10% rate increase for private duty
28 nursing services for Medicaid beneficiaries under the age of 21.
29 These additional funds must be used to attract and retain highly



1 qualified registered nurses and licensed practical nurses to
2 provide private duty nursing services so that medically frail
3 children can be cared for in the most homelike setting possible.

4 Sec. 1704. (1) From the funds appropriated in part 1 for
5 health plan services, the department shall maintain the Medicaid
6 adult dental benefit for pregnant women enrolled in a Medicaid
7 program.

8 (2) By April 15 of the current fiscal year, the department
9 shall report to the house and senate appropriations subcommittees
10 on the department budget, the house and senate fiscal agencies, and
11 the state budget office on the following:

12 (a) The number of pregnant women enrolled in Medicaid who
13 visited a dentist over the previous fiscal year.

14 (b) The number of dentists statewide who participate in
15 providing dental services to pregnant women enrolled in Medicaid.

16 Sec. 1757. The department shall obtain proof from all Medicaid
17 recipients that they are legal United States citizens or otherwise
18 legally residing in this country and that they are residents of
19 this state before approving Medicaid eligibility.

20 Sec. 1763. It is the intent of the legislature that upon
21 expiration of contract no. 071b7700073, the department shall issue
22 an RFP for a 3-year contract for actuarial services, including, but
23 not limited to, capitation rate setting for Medicaid and the
24 Healthy Michigan plan. The department shall notify the senate and
25 house appropriations subcommittees on the department budget, the
26 senate and house fiscal agencies, and the senate and house policy
27 offices on what vendors submitted bids for the contract, which
28 vendor received the contract, the evaluation process, and the
29 criteria used by the department in awarding the contract for



1 actuarial services.

2 Sec. 1764. The department shall annually certify whether rates
3 paid to Medicaid health plans and specialty PIHPs are actuarially
4 sound in accordance with federal requirements and shall provide a
5 copy of the rate certification and approval of rates paid to
6 Medicaid health plans and specialty PIHPs within 5 business days
7 after certification or approval to the senate and house
8 appropriations subcommittees on the department budget, the senate
9 and house fiscal agencies, and the state budget office. Following
10 the rate certification, the department shall ensure that no new or
11 revised state Medicaid policy bulletin that is promulgated
12 materially impacts the capitation rates that have been certified in
13 a negative manner.

14 Sec. 1775. (1) By March 1 of the current fiscal year, the
15 department shall report to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, and the state budget office on progress in implementing
18 the waiver to implement managed care for individuals who are
19 eligible for both Medicare and Medicaid, known as MI Health Link,
20 including any problems and potential solutions as identified by the
21 ombudsman described in subsection (2).

22 (2) The department shall ensure the existence of an ombudsman
23 program that is not associated with any project service manager or
24 provider to assist MI Health Link beneficiaries with navigating
25 complaint and dispute resolution mechanisms and to identify
26 problems in the demonstrations and in the complaint and dispute
27 resolution mechanisms.

28 Sec. 1782. Subject to federal approval, from the funds
29 appropriated in part 1 for health plan services, the department



1 shall allocate \$740,000.00 general fund/general purpose plus any
2 available work project funds and federal match through an
3 administered contract with oversight from Medical Services
4 Administration and Public Health Administration. The funds shall be
5 used to support a statewide media campaign for improving this
6 state's immunization rates.

7 Sec. 1790. The department shall maintain the current
8 practitioner rates paid for current procedural terminology (CPT)
9 codes 90791 through 90899 for psychiatric procedures through
10 Medicaid fee-for-service and through the comprehensive Medicaid
11 health plans for psychiatric procedures provided for Medicaid
12 recipients under the age of 21.

13 Sec. 1791. From the funds appropriated in part 1 for health
14 plan services and physician services, the department shall provide
15 Medicaid reimbursement rates for neonatal services at 95% of the
16 Medicare rate received for those services in effect on the date the
17 services are provided to eligible Medicaid recipients. The current
18 procedural terminology (CPT) codes that are eligible for this
19 reimbursement rate increase are 99468, 99469, 99471, 99472, 99475,
20 99476, 99477, 99478, 99479, and 99480.

21 Sec. 1792. By April 30 of the current fiscal year, the
22 department shall evaluate pharmacy encounter data through the first
23 2 quarters of the fiscal year to determine, in consultation with
24 the Medicaid health plans, if rates must be recertified. By May 30
25 of the current fiscal year, the department shall report the
26 evaluation results to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal
28 agencies, the senate and house policy offices, the state budget
29 office, and the Medicaid health plans.



1 Sec. 1801. (1) From the funds appropriated in part 1 for
 2 physician services and health plan services, the department shall
 3 continue the increase to Medicaid rates for primary care services
 4 provided only by primary care providers. Providers performing a
 5 service and whose primary practice is as a non-primary-care
 6 subspecialty are not eligible for the increase. The department
 7 shall establish policies that most effectively limit the increase
 8 to primary care providers for primary care services only. As used
 9 in this section, "primary care provider" means a physician, or a
 10 practitioner working in collaboration with a physician, who is
 11 either licensed under part 170 or part 175 of the public health
 12 code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to
 13 333.17556, and working as a primary care provider in general
 14 practice or board-eligible or certified with a specialty
 15 designation of family medicine, general internal medicine, or
 16 pediatric medicine, or a provider who provides the department with
 17 documentation of equivalency.

18 (2) By March 1 of the current fiscal year, the department
 19 shall provide to the senate and house appropriations subcommittees
 20 on the department budget, the senate and house fiscal agencies, the
 21 senate and house policy offices, and the state budget office a list
 22 of medical specialties that were paid enhanced primary care rates
 23 in the fiscal year ending September 30, 2019.

24 Sec. 1802. (1) From the funds appropriated in part 1 for
 25 hospital services and therapy, \$7,995,200.00 in general
 26 fund/general purpose revenue shall be provided as lump-sum payments
 27 to noncritical access hospitals that qualified for rural hospital
 28 access payments in fiscal year 2013-2014 and that provide
 29 obstetrical care in the current fiscal year. Payment amounts shall



1 be based on the volume of obstetrical care cases and newborn care
2 cases for all such cases billed by each qualified hospital in the
3 most recent year for which data is available. Payments shall be
4 made by January 1 of the current fiscal year.

5 (2) From the funds appropriated in part 1 for hospital
6 services and therapy and Healthy Michigan plan, \$13,904,800.00 in
7 general fund/general purpose revenue and any associated federal
8 match shall be awarded as rural access payments to noncritical
9 access hospitals that meet criteria established by the department
10 for services to low-income rural residents. One of the
11 reimbursement components of the distribution formula shall be
12 assistance with labor and delivery services. The department shall
13 ensure that the rural access payments described in this subsection
14 are distributed in a manner that ensures both of the following:

15 (a) A hospital shall not receive more than 10.0% of the total
16 rural access funding referenced in this subsection.

17 (b) To allow hospitals to understand their rural payment
18 amounts under this subsection, the department shall provide
19 hospitals with the methodology for distribution under this
20 subsection and provide each hospital with its applicable data that
21 are used to determine the payment amounts by August 1 of the
22 current fiscal year. The department shall publish the distribution
23 of payments for the current fiscal year and the immediately
24 preceding fiscal year.

25 Sec. 1803. The department shall maintain rules to allow for
26 billing to and reimbursement by the Medicaid program directly for
27 transportation charges related to portable x-ray services rendered
28 to patients residing in a nursing facility or an assisted living
29 facility, or who are otherwise homebound. By October 1 of the



1 current fiscal year, the department shall set payment rates for
2 Medicaid transportation charges related to portable x-ray services.

3 Sec. 1804. (1) The department shall utilize the federal public
4 assistance reporting information system to identify Medicaid
5 recipients who are veterans and who may be eligible for federal
6 veterans' health care benefits or other benefits. The department
7 shall identify the specific outcomes and performance reporting
8 requirements described in this section. The department shall
9 acquire all of the following information by January 1 of the
10 current fiscal year and report to the senate and house
11 appropriations subcommittees on the department budget, the senate
12 and house fiscal agencies, and the senate and house policy offices
13 on the following:

14 (a) The number of veterans identified by the department
15 through eligibility determinations.

16 (b) The number of veterans referred to the department of
17 military and veterans affairs.

18 (c) The number of referrals made by the department that were
19 contacted by the department of military and veterans affairs.

20 (d) The number of referrals made by the department that were
21 eligible for veterans health care benefits or other benefits.

22 (e) The specific actions and efforts undertaken by the
23 department and the department of military and veterans affairs to
24 identify female veterans who are applying for public assistance
25 benefits, but who are eligible for veterans benefits.

26 (2) By October 1 of the current fiscal year, the department
27 shall change the public assistance application form from asking
28 whether the prospective applicant was a veteran to asking whether
29 the applicant had ever served in the military.



1 (3) This section does not prohibit the department from
2 entering into interagency agreements with any other public
3 department or agency in this state in order to obtain the
4 information detailed in subsection (1).

5 Sec. 1810. In advance of the annual rate setting development,
6 Medicaid health plans shall be given at least 60 days to dispute
7 and correct any discarded encounter data before rates are
8 certified. The department shall notify each contracting Medicaid
9 health plan of any encounter data that have not been accepted for
10 the purposes of rate setting.

11 Sec. 1812. By June 1 of the current fiscal year, and using the
12 most recent available cost reports, the department shall complete a
13 report of all direct and indirect costs associated with residency
14 training programs for each hospital that receives funds
15 appropriated in part 1 for graduate medical education or through
16 the MiDocs consortium. The report shall be submitted to the house
17 and senate appropriations subcommittees on the department budget,
18 the house and senate fiscal agencies, and the state budget office.

19 Sec. 1820. (1) In order to avoid duplication of efforts, the
20 department shall utilize applicable national accreditation review
21 criteria to determine compliance with corresponding state
22 requirements for Medicaid health plans that have been reviewed and
23 accredited by a national accrediting entity for health care
24 services.

25 (2) The department shall continue to comply with state and
26 federal law and shall not initiate an action that negatively
27 impacts beneficiary safety.

28 (3) As used in this section, "national accrediting entity"
29 means the National Committee for Quality Assurance, the URAC,



1 formerly known as the Utilization Review Accreditation Commission,
2 or other appropriate entity, as approved by the department.

3 Sec. 1837. The department shall continue, and expand where
4 appropriate, utilization of telemedicine and telepsychiatry as
5 strategies to increase access to services for Medicaid recipients.

6 Sec. 1846. From the funds appropriated in part 1 for graduate
7 medical education, the department shall distribute the funds with
8 an emphasis on the following health care workforce goals:

9 (a) The encouragement of the training of physicians in
10 specialties, including primary care, that are necessary to meet the
11 future needs of residents of this state.

12 (b) The training of physicians in settings that include
13 ambulatory sites and rural locations.

14 Sec. 1850. The department may allow Medicaid health plans to
15 assist with maintaining eligibility through outreach activities to
16 ensure continuation of Medicaid eligibility and enrollment in
17 managed care. This may include mailings, telephone contact, or
18 face-to-face contact with beneficiaries enrolled in the individual
19 Medicaid health plan. Health plans may offer assistance in
20 completing paperwork for beneficiaries enrolled in their plan.

21 Sec. 1851. From the funds appropriated in part 1 for adult
22 home help services, the department shall allocate \$150,000.00 state
23 general fund/general purpose revenue plus any associated federal
24 match to develop and deploy a mobile electronic visit verification
25 solution to create administrative efficiencies, reduce error, and
26 minimize fraud. The development of the solution shall be predicated
27 on input from the results of the 2017 stakeholder survey.

28 Sec. 1855. From the funds appropriated in part 1 for program
29 of all-inclusive care for the elderly (PACE), to the extent that



1 funding is available in the PACE line item and unused program slots
2 are available, the department may do the following:

3 (a) Increase the number of slots for an already-established
4 local PACE program if the local PACE program has provided
5 appropriate documentation to the department indicating its ability
6 to expand capacity to provide services to additional PACE clients.

7 (b) Suspend the 10 member per month individual PACE program
8 enrollment increase cap in order to allow unused and unobligated
9 slots to be allocated to address unmet demand for PACE services.

10 Sec. 1856. (1) From the funds appropriated in part 1 for
11 hospice services, \$3,318,000.00 shall be expended to provide room
12 and board for Medicaid recipients who meet hospice eligibility
13 requirements and receive services at Medicaid enrolled hospice
14 residences in this state. The department shall distribute funds
15 through grants based on the total beds located in all eligible
16 residences that have been providing these services as of October 1,
17 2017. Any eligible grant applicant may inform the department of
18 their request to reduce the grant amount allocated for their
19 residence and the funds shall be distributed proportionally to
20 increase the total grant amount of the remaining grant-eligible
21 residences. Grant amounts shall be paid out monthly with 1/12 of
22 the total grant amount distributed each month to the grantees.

23 (2) By September 15 of the current fiscal year, each Medicaid-
24 enrolled hospice with a residence that receives funds under this
25 section shall provide a report to the department on the utilization
26 of the grant funding provided in subsection (1). The report shall
27 be provided in a format prescribed by the department and shall
28 include the following:

29 (a) The number of patients served.



1 (b) The number of days served.

2 (c) The daily room and board rates for the patients served.

3 (d) If there is not sufficient funding to cover the total room
4 and board need, the number of patients who did not receive care due
5 to insufficient grant funding.

6 (3) If there is funding remaining at the end of the current
7 fiscal year, the Medicaid-enrolled hospice with a residence shall
8 return funding to the state.

9 Sec. 1857. By July 1 of the current fiscal year, the
10 department shall explore the implementation of a managed care long-
11 term support service.

12 Sec. 1858. By April 1 of the current fiscal year, the
13 department shall report to the senate and house appropriations
14 subcommittees on the department budget and the senate and house
15 fiscal agencies on all of the following elements related to the
16 current Medicaid pharmacy carve-out of pharmaceutical products as
17 provided for in section 109h of the social welfare act, 1939 PA
18 280, MCL 400.109h:

19 (a) The number of prescriptions paid by the department during
20 the previous fiscal year.

21 (b) The total amount of expenditures for prescriptions paid by
22 the department during the previous fiscal year.

23 (c) The number of and total expenditures for prescriptions
24 paid for by the department for generic equivalents during the
25 previous fiscal year.

26 Sec. 1859. The department shall partner with the Michigan
27 Association of Health Plans (MAHP) and Medicaid health plans to
28 develop and implement strategies for the use of information
29 technology services for Medicaid research activities. The



1 department shall make available state medical assistance program
2 data, including Medicaid behavioral data, to MAHP and Medicaid
3 health plans or any vendor considered qualified by the department
4 for the purpose of research activities consistent with this state's
5 goals of improving health; increasing the quality, reliability,
6 availability, and continuity of care; and reducing the cost of care
7 for the eligible population of Medicaid recipients.

8 Sec. 1860. By March 1 of the current fiscal year, the
9 department shall provide a report to the senate and house
10 appropriations subcommittees, the senate and house fiscal agencies,
11 and the state budget office on uncollected co-pays and premiums in
12 the Healthy Michigan plan. The report shall include information on
13 the number of participants who have not paid their co-pays and
14 premiums, the total amount of uncollected co-pays and premiums, and
15 steps taken by the department and health plans to ensure greater
16 collection of co-pays and premiums.

17 Sec. 1862. From the funds appropriated in part 1, the
18 department shall maintain payment rates for Medicaid obstetrical
19 services at 95% of Medicare levels effective October 1, 2014.

20 Sec. 1867. (1) The department shall continue a workgroup that
21 includes psychiatrists, other relevant prescribers, and pharmacists
22 to identify best practices and to develop a protocol for
23 psychotropic medications. Any changes proposed by the workgroup
24 shall protect a Medicaid beneficiary's current psychotropic
25 pharmaceutical treatment regimen by not requiring a physician
26 currently prescribing any treatment to alter or adjust that
27 treatment.

28 (2) By March 1 of the current fiscal year, the department
29 shall provide the workgroup's recommendations to the senate and



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

3 Sec. 1870. (1) From the funds appropriated in part 1 for
4 hospital services and therapy, the department shall appropriate
5 \$6,400,000.00 in general fund/general purpose revenue plus any
6 contributions from public entities, up to \$5,000,000.00, and any
7 associated federal match to the MiDocs consortium to create new
8 primary care residency slots in underserved communities. The new
9 primary care residency slots must be in 1 of the following
10 specialties: family medicine, general internal medicine, general
11 pediatrics, general OB-GYN, psychiatry, or general surgery.

12 (2) The department shall seek any necessary approvals from CMS
13 to allow the department to implement the program described in this
14 section.

15 (3) Assistance with repayment of medical education loans, loan
16 interest payments, or scholarships provided by MiDocs shall be
17 contingent upon a minimum 2-year commitment to practice in an
18 underserved community in this state post-residency and an agreement
19 to forego any sub-specialty training for at least 2 years post-
20 residency with the exception of a child and adolescent psychiatry
21 fellowship which must be integrated with a psychiatry residency
22 training program in a MiDocs affiliated institution.

23 (4) The MiDocs shall work with the department to integrate the
24 Michigan inpatient psychiatric admissions discussion (MIPAD)
25 recommendations and, when possible, prioritize training
26 opportunities in state psychiatric hospitals and community mental
27 health organizations.

28 (5) The department shall maintain the MiDocs initiative
29 advisory council to help support implementation of the program



1 described in this section, and provide oversight. The advisory
 2 council shall be composed of the MiDocs consortium, the Michigan
 3 Area Health Education Centers, the Michigan Primary Care
 4 Association, the Michigan Center for Rural Health, the Michigan
 5 Academy of Family Physicians, and any other appointees designated
 6 by the department.

7 (6) By September 1 of the current fiscal year, MiDocs shall
 8 report to the senate and house appropriations subcommittees on the
 9 department budget, the senate and house fiscal agencies, the senate
 10 and house policy offices, and the state budget office, on the
 11 following:

12 (a) Audited financial statement of per-resident costs.

13 (b) Education and clinical quality data.

14 (c) Roster of trainees, including areas of specialty and
 15 locations of training.

16 (d) Medicaid revenue by training site.

17 (7) Outcomes and performance measures for this program
 18 include, but are not limited to, all of the following:

19 (a) Increasing this state's ability to recruit, train, and
 20 retain primary care physicians and other select specialty
 21 physicians in underserved communities.

22 (b) Maximizing training opportunities with community health
 23 centers, rural critical access hospitals, solo or group private
 24 practice physician practices, schools, and other community-based
 25 clinics, in addition to required rotations at inpatient hospitals.

26 (c) Increasing the number of residency slots for family
 27 medicine, general internal medicine, general pediatrics, general
 28 OB-GYN, psychiatry, and general surgery.

29 (8) Unexpended and unencumbered funds up to a maximum



1 \$6,400,000.00 in general fund/general purpose revenue plus any
2 contributions from public entities, up to \$5,000,000.00, and any
3 associated federal match remaining in accounts appropriated in part
4 1 for hospital services and therapy are designated as work project
5 appropriations, and any unencumbered or unallotted funds shall not
6 lapse at the end of the fiscal year and shall be available for
7 expenditures for the MiDocs consortium to create new primary care
8 residency slots in underserved communities under this section until
9 the work project has been completed. All of the following are in
10 compliance with section 451a(1) of the management and budget act,
11 1984 PA 431, MCL 18.1451a:

12 (a) The purpose of the work project is to fund the cost of the
13 MiDocs consortium to create new primary care residency slots in
14 underserved communities.

15 (b) The work project will be accomplished by contracting with
16 the MiDocs consortium to oversee the creation of new primary care
17 residency slots.

18 (c) The total estimated completion cost of the work project is
19 \$20,200,000.00.

20 (d) The tentative completion date is September 30, 2026.

21 Sec. 1871. The funds appropriated in part 1 for the Healthy
22 Michigan plan healthy behaviors incentives program shall only
23 provide reductions in cost-sharing responsibilities and shall not
24 include other financial rewards such as gift cards.

25 Sec. 1872. From the funds appropriated in part 1 for personal
26 care services, the department shall maintain the monthly Medicaid
27 personal care supplement paid to adult foster care facilities and
28 homes for the aged that provide personal care services to Medicaid
29 recipients in place during the previous fiscal year.



1 Sec. 1873. From the funds appropriated in part 1 for long-term
2 care services, the department may allocate up to \$3,700,000.00 for
3 the purpose of outreach and education to nursing home residents and
4 the coordination of housing in order to move out of the facility.
5 In addition, any funds appropriated shall be used for other quality
6 improvement activities of the program. The department shall
7 consider working with all relevant stakeholders to develop a plan
8 for the ongoing sustainability of the nursing facility transition
9 initiative.

10 Sec. 1874. The department shall ensure, in counties where
11 program of all-inclusive care for the elderly or PACE services are
12 available, that the program of all-inclusive care for the elderly
13 (PACE) is included as an option in all options counseling and
14 enrollment brokering for aging services and managed care programs,
15 including, but not limited to, Area Agencies on Aging, centers for
16 independent living, and the MiChoice home and community-based
17 waiver. Such options counseling must include approved marketing and
18 discussion materials.

19 Sec. 1875. (1) The department and its contractual agents may
20 not subject Medicaid prescriptions to prior authorization
21 procedures during the current fiscal year if that drug is generally
22 recognized in a standard medical reference or the American
23 Psychiatric Association's Diagnostic and Statistical Manual for the
24 Treatment of a Psychiatric Disorder.

25 (2) The department and its contractual agents may not subject
26 Medicaid prescriptions to prior authorization procedures during the
27 current fiscal year if that drug is a prescription drug that is
28 generally recognized in a standard medical reference for the
29 treatment of human immunodeficiency virus or acquired



1 immunodeficiency syndrome, epilepsy or seizure disorder, or organ
2 replacement therapy. The department shall explore including
3 medications for the treatment of Duchenne Muscular Dystrophy on the
4 list of Medicaid prescriptions not subject to prior authorization.

5 (3) As used in this section, "prior authorization" means a
6 process implemented by the department or its contractual agents
7 that conditions, delays, or denies delivery of particular pharmacy
8 services to Medicaid beneficiaries upon application of
9 predetermined criteria by the department or its contractual agents
10 to those pharmacy services. The process of prior authorization
11 often requires that a prescriber do 1 or both of the following:

12 (a) Obtain preapproval from the department or its contractual
13 agents before prescribing a given drug.

14 (b) Verify to the department or its contractual agents that
15 the use of a drug prescribed for an individual meets predetermined
16 criteria from the department or its contractual agents for a
17 prescription drug that is otherwise available under the Medicaid
18 program in this state.

19 Sec. 1879. (1) The department shall maintain a single,
20 standard preferred drug list to be used by all contracted Medicaid
21 managed health care programs. Changes to the preferred drug list
22 shall be made in consultation with all contracted managed health
23 care programs and the Michigan pharmacy and therapeutics committee
24 to ensure sufficient access to medically necessary drugs for each
25 disease state. The department has final authority over the list and
26 shall design the list to ensure access to clinically effective and
27 appropriate drug therapies and maximize federal rebates and
28 supplemental rebates.

29 (2) By July 15 of the current fiscal year, the department



1 shall submit a report to the senate and house appropriations
2 subcommittees on the department budget, the senate and house fiscal
3 agencies, the senate and house policy offices, and the state budget
4 office that compares the managed care pharmacy expenditures before
5 implementing a single, standard preferred drug list to managed care
6 pharmacy expenditures after implementing a single, standard
7 preferred drug list. The report shall include data on collected
8 rebates and expenditures by quarter for at least 8 quarters prior
9 to implementing a single, standard preferred drug list, and the
10 experienced rebates and expenditures for at least 6 quarters, and
11 the projected rebates and expenditures for at least 2 quarters
12 after implementing a single, standard preferred drug list. The data
13 shall be aggregated by the department so as not to disclose the
14 proprietary or confidential drug-specific information, or the
15 proprietary or confidential information that directly or indirectly
16 identifies financial information linked to a single manufacturer.
17 The report shall include any administrative costs or savings
18 associated with the continued implementation of a single, standard
19 Medicaid preferred drug list and must include information on a per
20 Medicaid prescription basis.

21 Sec. 1880. (1) By June 1 of the current fiscal year, the
22 department shall provide a report to the senate and house
23 committees on appropriations, the senate and house fiscal agencies,
24 and the state budget office on the newly implemented statewide
25 Medicaid preferred drug list policy. This report must include, but
26 is not limited to, all of the following:

27 (a) The difference between estimated pharmacy expenditures and
28 actual pharmacy expenditures incurred by the Medicaid health plans
29 through the first 2 quarters of the fiscal year.



1 (b) The difference between estimated federal and supplemental
2 rebates and actual amount of federal and supplemental rebates
3 realized from the Medicaid health plan pharmacy utilization through
4 the first 2 quarters of the fiscal year.

5 (c) The difference between the estimated ingredient cost
6 increase and the actual ingredient cost increase incurred by the
7 Medicaid health plans through the first 2 quarters of the fiscal
8 year.

9 (d) The difference between the estimated annual change in
10 pharmacy utilization and the actual annual change in pharmacy
11 utilization incurred by the Medicaid health plans through the first
12 2 quarters of the fiscal year.

13 (2) By June 1 of the current fiscal year, the department shall
14 provide adjustments to capitation rates paid to Medicaid health
15 plans to reflect the difference between the rates implemented for
16 fiscal year 2020-2021 and the per enrollee health benefit expenses
17 incurred by contracted health plans to the senate and house
18 committees on appropriations, the senate and house fiscal agencies,
19 and the state budget office. Any adjustments made to the capitation
20 rates under this section shall be made outside of the updated
21 estimates of Medicaid expenditures revised pursuant to section 367b
22 of the management and budget act, 1984 PA 431, MCL 18.1367b, in May
23 of the current fiscal year for the impacted period.

24 Sec. 1881. The managed care capitation rates for the fiscal
25 year ending September 30, 2022 shall not include a 2-way risk
26 corridor.

27 Sec. 1888. The department shall establish contract performance
28 standards associated with the capitation withhold provisions for
29 Medicaid health plans at least 3 months before implementing those



1 standards. The determination of whether performance standards have
2 been met shall be based primarily on recognized concepts such as 1-
3 year continuous enrollment and the healthcare effectiveness data
4 and information set, HEDIS, audited data.

5 Sec. 1894. By March 1 of the current fiscal year, the
6 department shall report to the senate and house appropriations
7 subcommittees on the department budget, the senate and house fiscal
8 agencies, the senate and house policy offices, and the state budget
9 office on the Healthy Kids Dental program. The report shall
10 include, but is not limited to, the following:

11 (a) The number of children enrolled in the Healthy Kids Dental
12 program who visited the dentist during the previous fiscal year
13 broken down by dental benefit manager.

14 (b) The number of dentists who accept payment from the Healthy
15 Kids Dental program broken down by dental benefit manager.

16 (c) The annual change in dental utilization of children
17 enrolled in the Healthy Kids Dental program broken down by dental
18 benefit manager.

19 (d) Service expenditures for the Healthy Kids Dental program
20 broken down by dental benefit manager.

21 (e) Administrative expenditures for the Healthy Kids Dental
22 program broken down by dental benefit manager.

23

24 **INFORMATION TECHNOLOGY**

25 Sec. 1901. (1) The department shall provide a report on a
26 quarterly basis to the senate and house appropriations
27 subcommittees on the department budget, the senate and house fiscal
28 agencies, the senate and house policy offices, and the state budget
29 office on all of the following information:



1 (a) The process used to define requests for proposals for each
2 expansion of information technology projects, including timelines,
3 project milestones, and intended outcomes.

4 (b) If the department decides not to contract the services out
5 to design and implement each element of the information technology
6 expansion, the department shall submit its own project plan that
7 includes, at a minimum, the requirements in subdivision (a).

8 (c) A recommended project management plan with milestones and
9 time frames.

10 (d) The proposed benefits from implementing the information
11 technology expansion, including customer service improvement, form
12 reductions, potential time savings, caseload reduction, and return
13 on investment.

14 (e) Details on the implementation of the integrated service
15 delivery project, and the progress toward meeting the outcomes and
16 performance measures listed in section 1904(2) of this part.

17 (f) A list of projects approved in the previous quarter and
18 the purpose for approving each project including any federal,
19 state, court, or legislative requirement for each project.

20 (2) Once an award for an expansion of information technology
21 is made, the department shall report to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies, the senate and house policy offices, and
24 the state budget office a projected cost of the expansion broken
25 down by use and type of expense.

26 Sec. 1903. (1) The department shall report to the senate and
27 house appropriations subcommittees on the department budget, the
28 senate and house fiscal agencies, the senate and house policy
29 offices, and the state budget office by November 1 of the current



1 fiscal year the status of an implementation plan regarding the
2 appropriation in part 1 to modernize the MiSACWIS. The report shall
3 include, but not be limited to, an update on the status of the
4 settlement and efforts to bring the system in compliance with the
5 settlement and other federal guidelines set forth by the United
6 States Department of Health and Human Services Administration for
7 Children and Families.

8 (2) The department shall report to the senate and house
9 appropriations subcommittees on the department budget, the senate
10 and house fiscal agencies, the senate and house policy offices, and
11 the state budget office by November 1, January 1, March 1, May 1,
12 July 1, and September 1 of the current fiscal year a status report
13 on the planning, implementation, and operation, regardless of the
14 current operational status, regarding the appropriation in part 1
15 to 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 Sec. 1904. (1) From the funds appropriated in part 1 for the
18 technology supporting integrated service delivery line item, the
19 department shall maintain information technology tools and enhance
20 existing systems to improve the eligibility and enrollment process
21 for citizens accessing department administered programs. This
22 information technology system shall consolidate beneficiary
23 information, support department caseworker efforts in building a
24 success plan for beneficiaries, and better support department staff
25 in supporting enrollees in assistance programs.

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

28 (a) Successful consolidation of data warehouses maintained by
29 the department.



1 (b) The amount of time a department caseworker devotes to data
2 entry when initiating an enrollee application.

3 (c) A reduction in wait times for persons enrolled in
4 assistance programs to speak with department staff and get
5 necessary changes made.

6 (d) A reduction in department caseworker workload.

7 Sec. 1905. (1) The department shall report on a monthly basis
8 to the chairs of the senate and house standing committees on
9 appropriations, the senate and house appropriations subcommittees
10 on the department budget, the senate and house appropriations
11 subcommittees on the general government budget, the senate and
12 house fiscal agencies, the senate and house policy offices, and the
13 state budget office on all of the following:

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

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

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

23 (d) A list of all information technology projects estimated to
24 cost more than \$250,000.00 that exceed their allotted budget and
25 all information technology projects that have exceeded their
26 allotted budget by 25% or more.

27 (2) As used in subsection (1), "project" includes, but is not
28 limited to, all of the following major projects:

29 (a) Community health automated Medicaid processing system



1 (CHAMPS).

2 (b) Bridges and MiBridges eligibility determination.

3 (c) MiSACWIS.

4 (d) Integrated service delivery.

5 (3) By April 30 of the current fiscal year, the department, in
6 coordination with the department of technology, management, and
7 budget, shall provide to the senate and house appropriations
8 subcommittees on the department budget, the senate and house fiscal
9 agencies, the senate and house policy offices, and the state budget
10 office a 5-year strategic plan for information technology services
11 and projects for the department. The strategic plan shall identify
12 any scheduled changes in the federal and state shares of costs
13 related to information technology services and projects over the 5-
14 year period. As part of the strategic plan, the department shall
15 include total information technology expenditures from the previous
16 fiscal year by fund source, total information technology
17 appropriations as a percentage of total department appropriations
18 by fund source, and a return on investment, by project, for all
19 information technology expenditures in the previous fiscal year.
20 The strategic plan shall also include, for the previous 5 fiscal
21 years, the department's information technology spending compared to
22 similar departments in 3 other states located in the Midwest.

23 Sec. 1906. (1) The workgroup, in collaboration with the
24 Michigan Federation of Children and Families and the Association of
25 Accredited Child and Family Agencies, shall issue a report to the
26 house and senate appropriations subcommittees on the department
27 budget, the house and senate fiscal agencies, the house and senate
28 policy offices, and the state budget office no later than November
29 1, January 1, March 1, May 1, July 1, and September 1 of the



1 current fiscal year that must consist of, but is not limited to,
2 the following:

3 (a) Recommendations for the future funding and operations of
4 MiSACWIS and the replacement state child welfare information
5 system.

6 (b) Recommendations for any remedial actions that the
7 workgroup considers necessary for the department to implement in
8 order to improve the functions of MiSACWIS and the subsequent state
9 child welfare information system, and measures established to
10 determine the success of MiSACWIS and the replacement state child
11 welfare information system.

12 (c) Any other information the workgroup would like to provide
13 regarding MiSACWIS and the replacement state child welfare
14 information system.

15 (2) As used in this section, "workgroup" means the workgroup
16 established by the department to facilitate the transition from the
17 use of MiSACWIS to a replacement state child welfare information
18 system, according to the independent assessment of Michigan's
19 statewide automated child welfare information system and child
20 welfare data reporting infrastructure submitted to the United
21 States District Court for the Eastern District of Michigan on
22 February 25, 2019.

23 Sec. 1907. By October 1 and March 1 of the current fiscal
24 year, the department shall 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 office on all current, contracted information
28 technology-related projects, total contractual costs, spending in
29 previous fiscal years, planned spending for the current fiscal



1 year, and fiscal year-to-date spending, by project.

2 Sec. 1909. (1) From the funds appropriated in part 1 for child
3 support automation, the department shall only encumber or expend
4 funds for the operation, maintenance, and improvements of the
5 Michigan child support enforcement system (MiCSES).

6 (2) From the funds appropriated in part 1 for bridges
7 information system, the department shall only encumber or expend
8 funds for the operation, maintenance, and improvements of Bridges
9 and MIBridges.

10 (3) From the funds appropriated in part 1 for technology
11 supporting integrated service delivery, the department shall only
12 encumber or expend funds for the operation, maintenance, and
13 improvements of integrated service delivery.

14 (4) From the funds appropriated in part 1 for Michigan
15 Medicaid information system, the department shall only encumber or
16 expend funds for the operation, maintenance, and improvements of
17 the community health automated Medicaid processing system (CHAMPS).

18 (5) From the funds appropriated in part 1 for Michigan
19 statewide automated child welfare information system, the
20 department shall only encumber or expend funds for the operation,
21 maintenance, and improvements of MiSACWIS.

22 (6) From the funds appropriated in part 1 for comprehensive
23 child welfare information system, the department shall only
24 encumber or expend funds for the operation, maintenance, and
25 improvements to the comprehensive child welfare information system.

26 (7) From the funds appropriated in part 1 for comprehensive
27 child welfare information system, the department shall allocate
28 \$3,762,200.00 to develop a new information system to replace
29 MiSACWIS consistent with the plan provided by the department to the



1 United States District Court for Eastern District of Michigan as a
2 part of the settlement. The development of the comprehensive child
3 welfare information system shall adhere to department of
4 technology, management, and budget and IT Investment Fund (ITIF)
5 policies and practices, including use of the state unified
6 information technology environment methodology and agile
7 development. The project team shall also participate in and comply
8 with the enterprise portfolio management office process and product
9 quality assurance. To ensure full transparency, the project shall
10 be included in the ITIF portfolio for executive, legislative, and
11 external reporting purposes. As a component of the ITIF portfolio,
12 the project is subject to governance and oversight by the IT
13 investment management board.

14

15 **ONE-TIME APPROPRIATIONS**

16 Sec. 1910. From the funds appropriated in part 1 for hospital
17 infrastructure improvements, the department shall appropriate
18 \$2,826,000.00 to a hospital located in a village with a population
19 between 250 and 1,000 within a county with a population between
20 61,300 and 63,900, according to the most recent federal decennial
21 census, for critical infrastructure improvements.

22 Sec. 1911. From the funds appropriated in part 1 for first
23 responder and public safety staff mental health, the department
24 shall allocate \$100.00 toward a program to support firefighters,
25 police officers, emergency medical services personnel, dispatchers,
26 and correctional officers suffering from post-traumatic stress
27 syndrome and other mental health conditions. The program will
28 primarily provide grants to behavioral health providers and may
29 also include funding to improve information and referrals for these



1 services.

2 Sec. 1912. (1) From the funds appropriated in part 1 for
3 hospital behavioral health pilot program, the department shall
4 appropriate \$3,000,000.00 to McLaren Greater Lansing for a pilot
5 program located in a county with a population between 280,000 and
6 281,000 according to the most recent federal decennial census for
7 the purpose of operating a pilot program to ensure that the
8 behavioral and physical health needs of residents of this state are
9 addressed. This pilot program shall seek to provide additional
10 behavioral health services in a more efficient manner due to a
11 partnership with state-based institutions on staffing assistance
12 and shared services with a Michigan-based health system. The pilot
13 program shall do all of the following:

- 14 (a) Connect participants with available benefits.
- 15 (b) Help participants maintain eligibility.
- 16 (c) Link participants with necessary health care services.
- 17 (d) Maintain participants' medication routines.
- 18 (e) Address participants' barriers to care.

19 (2) For the duration of the pilot program, the department
20 shall allow for the direct referral of patients to the pilot
21 program. It is the intent of the legislature that this pilot
22 program shall be designed to last 3 years and that the pilot
23 program not exceed a maximum bed capacity of 45 beds.

24 (3) By September 30 of the current fiscal year, the managing
25 entity of the pilot program shall submit a report to the
26 department, the senate and house appropriations subcommittees on
27 the department budget, the senate and house fiscal agencies, the
28 senate and house policy offices, and the state budget office. The
29 report shall include, at a minimum, all of the following:



- 1 (a) The number of patients served by the pilot program.
2 (b) A breakdown of state expenditures for the pilot program.
3 (c) A breakdown of cost savings compared to a facility solely
4 operated by the state.
5 (d) The average length of a patient stay.
6 (e) The number of readmissions of a patient in a 365-day
7 period.
8 (f) The number of staffing hours worked by university
9 students.
10 (g) The number of admitted patients.
11 (h) The distance traveled to reach the facility.
12 (i) The number of patients who had previously been admitted to
13 a mental health facility.
14 (j) The number of patients who were admitted to a mental
15 health facility for the first time.

16 Sec. 1913. From the funds appropriated in part 1 for lead
17 poisoning prevention fund, the department shall allocate
18 \$2,000,000.00 towards the establishment of a lead poisoning
19 prevention fund. The lead poisoning prevention fund would be
20 administered by an independent third party as a public private loan
21 loss reserve fund that would support loans to landlords and
22 homeowners remediating lead hazards from their property.

23 Sec. 1914. (1) From the funds appropriated in part 1 for
24 nursing capacity and diversity pilot, the department shall
25 appropriate \$100.00 for an enhanced nursing capacity and diversity
26 pilot project administered by a college of nursing at a 4-year
27 state university located in a city with a population between
28 100,000 and 200,000 within a county with a population between
29 450,000 and 800,000, according to the most recent federal decennial



1 census.

2 (2) Outcomes and performance measures for the pilot project
3 described under this section shall include, but are not limited to,
4 the following:

5 (a) The number of nurses participating in the pilot project,
6 broken down by race.

7 (b) The number of nurses who obtained employment through the
8 pilot project.

9 (c) The total expenditures for tuition support for pilot
10 project participants.

11 (d) The total expenditures for stipends for pilot project
12 participants.

13 (e) The total administrative expenses.

14 (f) The average amount of time for a pilot project participant
15 to complete their degree.

16 Sec. 1915. From the funds appropriated in part 1 for healthy
17 communities grant, \$500,000.00 shall be allocated for a 1-time
18 grant to Leaders Advancing and Helping Communities for community
19 healthy living, obesity prevention, and substance abuse prevention
20 programs.

21 Sec. 1916. From the funds appropriated in part 1 for kids'
22 food basket, the department shall allocate \$500,000.00 to fund a
23 project with a nonprofit, community-based organization organized
24 under the laws of this state that is exempt from federal income tax
25 under section 501(c)(3) of the internal revenue code of 1986, 26
26 USC 501, and is located in a city with a population between 185,000
27 and 195,000 according to the most recent federal decennial census
28 which city is located in a county with a population between 600,000
29 and 605,000 according to the most recent federal decennial census.



1 The nonprofit organization recipient shall have an existing network
2 of food delivery to low-income children to at least 3 counties in
3 this state. The nonprofit organization shall use the funds for
4 increased operational costs due to the coronavirus pandemic and for
5 expansion of services to additional schools and communities. The
6 funding may be used to cover employee costs, food and supplies,
7 equipment, and other operational costs identified by the
8 organization to support their mission and goals.

9 Sec. 1917. From the funds appropriated in part 1 for narcotics
10 awareness program, the department shall allocate \$100.00 to a
11 nonprofit organization organized under the laws of this state that
12 is exempt from federal income tax under section 501(c)(3) of the
13 internal revenue code of 1986, 26 USC 501, and with headquarters in
14 a township with a population between 96,500 and 97,000 within a
15 county with a population between 700,000 and 1,000,000, according
16 to the most recent federal decennial census. To be eligible to
17 receive funding, the nonprofit organization must have a stated
18 mission to offer community-based, compassionate, best-
19 practice/evidence-based services to those suffering from addiction,
20 as well as their loved ones, and to erase the stigma of addiction
21 and instill compassion and hope.

22 Sec. 1918. From the funds appropriated in part 1 for veterans
23 health clinic, the department shall allocate \$100.00 to McLaren
24 Port Huron to expand telehealth and behavioral health services at a
25 community health center located in a city with a population between
26 1,000 and 4,000 within a county with a population between 161,000
27 and 171,000, according to the most recent federal decennial census.

28 Sec. 1919. (1) From the funds appropriated in part 1 for jail
29 diversion fund, the department shall allocate \$100.00 to create the



1 jail diversion fund. The jail diversion fund shall be administered
2 by the mental health diversion council, in accordance with
3 recommendations of the Michigan joint task force on jail and
4 pretrial incarceration.

5 (2) The mental health diversion council shall distribute
6 grants to local entities for the purpose of establishing or
7 expanding jail diversion programs in partnership with local law
8 enforcement and private or public behavioral health service
9 providers. Grants must be distributed as follows:

10 (a) Half shall be distributed to community-based mobile crisis
11 intervention services in partnership between law enforcement and
12 mental health practitioners. The mental health diversion council
13 must give priority to grant applications that demonstrate a
14 commitment to a comprehensive co-response model that includes at
15 least all of the following:

16 (i) Full integration with existing 911 dispatch centers.

17 (ii) Inclusion of both co-responder clinicians and co-responder
18 peers.

19 (iii) Access to residential treatment facilities.

20 (iv) Inclusion of telehealth response and follow-up services.

21 (v) Mental health professionals employed independently from
22 law enforcement.

23 (vi) Other best practices as identified by the council.

24 (b) Half shall be distributed to any type of pre-arrest or
25 post-arrest diversion program in which individuals with behavioral
26 health needs are identified and diverted out of the criminal
27 justice system. The mental health diversion council must give
28 priority to local entities located in counties without an urbanized
29 area of at least 50,000 people, according to the most recent



1 federal decennial census.

2 (3) Grant applications may be made by any applicable local
3 entity and must be distributed to local entities using a
4 prospective payment methodology.

5 (4) The department shall seek federal authority as outlined
6 under section 9813 of the American Rescue Plan Act of 2021, Public
7 Law 117-2, to utilize enhanced federal Medicaid matching funds for
8 the operation of the programs described in this section. It is the
9 intent of the legislature that local entities receiving grants
10 under this section partner with philanthropic organizations to
11 supplement state funding.

12 (5) Local entities receiving grants under this section must
13 submit a report containing metrics pertinent to the progress of
14 their diversion program to the mental health diversion council
15 annually. The council must compile and submit an annual 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 and make the report
19 publicly available within 30 days after receiving the report. Local
20 entities may utilize a portion of grant funding received under this
21 section to contract with independent organizations for the purpose
22 of fulfilling this requirement. The mental health diversion council
23 shall determine the specific metrics required and notify the local
24 entities at the time of the first grant disbursement. Metrics for
25 grants may include, but are not limited to, all of the following:

26 (a) The number of calls to which co-responders are dispatched
27 alone and the number of calls to which co-responders are dispatched
28 alongside law enforcement.

29 (b) The number of calls transferred to telehealth co-



1 responders with physical response follow-up and the number of calls
2 transferred to telehealth co-responders without physical response
3 follow-up.

4 (c) The law enforcement call clear time when co-responders are
5 dispatched, and the law enforcement call clear time when co-
6 responders are not dispatched.

7 (d) The co-responder, co-responder clinician, and co-responder
8 peer call time per call.

9 (e) The number of co-responder-attended calls resulting in the
10 following:

11 (i) Jail admission.

12 (ii) On-location de-escalation.

13 (iii) Crisis center or crisis stabilization unit residential
14 admission.

15 (iv) Behavioral health facility inpatient admission.

16 (v) Referral for behavioral or mental health services without
17 residential or inpatient admission.

18 (vi) Referral to community or social services such as homeless
19 shelters, women's shelters, food pantries, or other similar
20 services.

21 (f) The number of individuals served by co-responder-attended
22 calls broken down by age, gender, and race and ethnicity.

23 (g) The reduction in frequency of law enforcement interaction
24 with known frequently served individuals.

25 (h) The number of follow-up visits, including method and
26 location.

27 (i) The overall program costs broken down by administration,
28 training, co-responder clinician, co-responder, and per-call costs.

29 (6) The unexpended funds appropriated in part 1 for jail



1 diversion fund are designated as a work project appropriation, and
 2 any unencumbered or unallotted funds do not lapse at the end of the
 3 fiscal year and are available for expenditures for projects under
 4 this section until the fund is depleted. The following is in
 5 compliance with section 451a(1) of the management and budget act,
 6 1984 PA 431, MCL 18.1451a:

7 (a) The purpose of the project is to distribute grant funds to
 8 local entities establishing or expanding jail diversion programs.

9 (b) The projects will be accomplished through grants to local
 10 entities establishing or expanding jail diversion programs in
 11 partnership with local law enforcement and private or public
 12 behavioral health service providers.

13 (c) The total estimated cost of the work project is
 14 \$20,000,000.00.

15 (d) The tentative completion date is September 30, 2025.

16 Sec. 1921. From the funds appropriated in part 1 for statewide
 17 health information exchange projects, the department shall allocate
 18 \$1,750,000.00 to a public and private nonprofit collaboration that
 19 is designated as this state's statewide health information exchange
 20 by cooperative agreement to implement health information technology
 21 strategies for health information exchange development, data
 22 management, and population health at a statewide level.

23 Sec. 1934. (1) From the funds appropriated in part 1 for long-
 24 term care facility supports, the department shall allocate
 25 \$9,000,000.00 general fund and any associated federal matching
 26 funds for a supplemental payment to nursing home providers. This
 27 payment shall be structured as a 1.5% increase to the Medicaid per-
 28 bed day variable cost reimbursement rate. Payment shall not be made
 29 until the department has received federal approval.



1 (2) The intent of the payment described in subsection (1) is
2 to provide 1-time support for nursing home providers to support
3 additional COVID-19 related expenditures and decreasing census
4 during the coronavirus public health emergency.

