

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 763, entitled

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

John Moolenaar

Matt Lori

Roger Kahn

Rob VerHeulen

Vincent Gregory

Rashida Tlaib

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 763**

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	3,648.1

1	Average population	893.0	
2	GROSS APPROPRIATION.....		\$ 18,215,375,900
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers		9,425,900
6	ADJUSTED GROSS APPROPRIATION.....		\$ 18,205,950,000
7	Federal revenues:		
8	Total federal revenues.....		12,539,355,700
9	Social security act, temporary assistance for needy		
10	families		18,330,400
11	Special revenue funds:		
12	Total local revenues.....		220,102,400
13	Total private revenues.....		127,056,600
14	Merit award trust fund.....		68,334,700
15	Roads and risks reserve fund.....		60,900,000
16	Autism coverage fund.....		5,500,000
17	Total other state restricted revenues.....		1,926,668,800
18	State general fund/general purpose.....		\$ 3,239,701,400
19	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
20	Full-time equated unclassified positions.....	6.0	
21	Full-time equated classified positions.....	190.7	
22	Director and other unclassified--6.0 FTE positions ...		\$ 724,700
23	Departmental administration and management--180.7		
24	FTE positions		27,088,800
25	Worker's compensation program.....		5,000,500
26	Rent and building occupancy.....		10,268,900
27	Developmental disabilities council and		

1	projects--10.0 FTE positions	3,042,200
2	Human trafficking intervention services	<u>200,000</u>
3	GROSS APPROPRIATION.....	\$ 46,325,100
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	15,472,900
7	Special revenue funds:	
8	Total private revenues.....	35,200
9	Total other state restricted revenues.....	829,800
10	State general fund/general purpose.....	\$ 29,987,200
11	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
12	AND SPECIAL PROJECTS	
13	Full-time equated classified positions..... 103.0	
14	Behavioral health program administration--102.0 FTE	
15	positions	\$ 51,172,900
16	Gambling addiction--1.0 FTE position.....	3,003,900
17	Protection and advocacy services support.....	194,400
18	Community residential and support services.....	592,100
19	Federal and other special projects.....	2,839,200
20	Family support subsidy.....	18,149,900
21	Housing and support services.....	<u>13,238,800</u>
22	GROSS APPROPRIATION.....	\$ 89,191,200
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	39,567,400
26	Social security act, temporary assistance for needy	
27	families	18,330,400

1	Special revenue funds:	
2	Total private revenues.....	200,000
3	Total other state restricted revenues.....	3,003,900
4	State general fund/general purpose.....	\$ 28,089,500
5	Sec. 104. BEHAVIORAL HEALTH SERVICES	
6	Full-time equated classified positions.....	9.5
7	Medicaid mental health services.....	\$ 2,323,857,900
8	Community mental health non-Medicaid services.....	97,050,400
9	Mental health services for special populations.....	8,842,800
10	Medicaid substance use disorder services.....	45,867,300
11	CMHSP, purchase of state services contracts.....	139,465,600
12	Civil service charges.....	1,499,300
13	Federal mental health block grant--2.5 FTE positions .	15,445,500
14	State disability assistance program substance use	
15	disorder services	2,018,800
16	Community substance use disorder prevention,	
17	education, and treatment	73,811,800
18	Children's waiver home care program.....	21,544,900
19	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,260,600
20	Children with serious emotional disturbance waiver...	12,647,900
21	Health homes.....	900,000
22	Healthy Michigan plan -behavioral health.....	<u>274,331,900</u>
23	GROSS APPROPRIATION.....	\$ 3,029,544,700
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of human	
27	services	6,351,500

1	Federal revenues:	
2	Total federal revenues.....	1,937,773,000
3	Special revenue funds:	
4	Total local revenues.....	25,228,900
5	Total other state restricted revenues.....	22,506,200
6	State general fund/general purpose.....	\$ 1,037,685,100
7	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
8	MENTAL HEALTH SERVICES	
9	Total average population	893.0
10	Full-time equated classified positions.....	2,130.9
11	Caro Regional Mental Health Center - psychiatric	
12	hospital - adult--461.3 FTE positions.....	\$ 56,257,100
13	Average population	185.0
14	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
15	positions	64,409,100
16	Average population	189.0
17	Walter P. Reuther Psychiatric Hospital -	
18	adult--420.8 FTE positions	55,919,900
19	Average population	234.0
20	Hawthorn Center - psychiatric hospital - children	
21	and adolescents--226.4 FTE positions.....	28,778,000
22	Average population	75.0
23	Center for forensic psychiatry--556.3 FTE positions..	72,695,200
24	Average population	210.0
25	Revenue recapture.....	750,000
26	IDEA, federal special education.....	120,000
27	Special maintenance.....	332,500

1	Purchase of medical services for residents of	
2	hospitals and centers	445,600
3	Gifts and bequests for patient living and treatment	
4	environment	<u>1,000,000</u>
5	GROSS APPROPRIATION.....	\$ 280,707,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	34,724,400
9	Special revenue funds:	
10	CMHSP, purchase of state services contracts.....	139,465,600
11	Other local revenues.....	19,493,800
12	Total private revenues.....	1,000,000
13	Total other state restricted revenues.....	18,871,300
14	State general fund/general purpose.....	\$ 67,152,300
15	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
16	Full-time equated classified positions..... 100.4	
17	Public health administration--7.3 FTE positions.....	\$ 1,574,000
18	Health and wellness initiatives--11.7 FTE positions ..	8,950,000
19	Vital records and health statistics--81.4 FTE	
20	positions	<u>11,483,500</u>
21	GROSS APPROPRIATION.....	\$ 22,007,500
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	Interdepartmental grant from the department of human	
25	services	1,208,200
26	Federal revenues:	
27	Total federal revenues.....	3,657,000

1	Special revenue funds:	
2	Total other state restricted revenues	12,053,900
3	State general fund/general purpose	\$ 5,088,400
4	Sec. 107. HEALTH POLICY	
5	Full-time equated classified positions.....	64.8
6	Certificate of need program administration--12.3 FTE	
7	positions	\$ 2,785,200
8	Emergency medical services program--23.0 FTE positions	6,421,800
9	Health innovation grants	1,500,000
10	Health policy administration--24.1 FTE positions	3,112,700
11	Michigan essential health provider	3,591,300
12	Minority health grants and contracts	612,700
13	Nurse education and research program--3.0 FTE	
14	positions	774,400
15	Primary care services--1.4 FTE positions	4,067,900
16	Rural health services--1.0 FTE position	<u>1,555,500</u>
17	GROSS APPROPRIATION	\$ 24,421,500
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	licensing and regulatory affairs	774,400
22	Interdepartmental grant from the department of	
23	treasury, Michigan state hospital finance authority.	116,200
24	Federal revenues:	
25	Total federal revenues	7,994,500
26	Special revenue funds:	
27	Total private revenues	865,000

1	Total other state restricted revenues	6,565,700
2	State general fund/general purpose	\$ 8,105,700
3	Sec. 108. LABORATORY SERVICES	
4	Full-time equated classified positions..... 100.0	
5	Laboratory services--100.0 FTE positions	\$ <u>19,043,200</u>
6	GROSS APPROPRIATION.....	\$ 19,043,200
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of	
10	environmental quality	975,600
11	Federal revenues:	
12	Total federal revenues.....	2,298,100
13	Special revenue funds:	
14	Total other state restricted revenues	8,993,900
15	State general fund/general purpose	\$ 6,775,600
16	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE	
17	Full-time equated classified positions..... 144.9	
18	AIDS surveillance and prevention program.....	\$ 1,854,100
19	Bioterrorism preparedness--52.0 FTE positions	30,094,200
20	Epidemiology administration--41.6 FTE positions	11,845,700
21	Healthy homes program--8.0 FTE positions	4,386,200
22	Immunization program--12.8 FTE positions	15,022,300
23	Newborn screening follow-up and treatment	
24	services--10.5 FTE positions	6,748,800
25	Sexually transmitted disease control program--20.0	
26	FTE positions	6,252,900
27	Tuberculosis control and prevention.....	<u>867,000</u>

1	GROSS APPROPRIATION.....	\$	77,071,200
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		58,971,700
5	Special revenue funds:		
6	Total private revenues.....		338,800
7	Total other state restricted revenues.....		11,110,500
8	State general fund/general purpose.....	\$	6,650,200
9	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS		
10	Full-time equated classified positions..... 2.0		
11	Essential local public health services.....	\$	40,886,100
12	Implementation of 1993 PA 133, MCL 333.17015.....		20,000
13	Local health services--2.0 FTE positions.....		537,300
14	Medicaid outreach cost reimbursement to local health		
15	departments		<u>9,000,000</u>
16	GROSS APPROPRIATION.....	\$	50,443,400
17	Appropriated from:		
18	Federal revenues:		
19	Total federal revenues.....		9,537,300
20	Special revenue funds:		
21	Total local revenues.....		5,150,000
22	State general fund/general purpose.....	\$	35,756,100
23	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND		
24	HEALTH PROMOTION		
25	Full-time equated classified positions..... 96.0		
26	AIDS prevention, testing, and care programs--31.7		
27	FTE positions	\$	70,427,500

1	Cancer prevention and control program--12.0 FTE		
2	positions		15,009,000
3	Chronic disease control and health promotion		
4	administration--29.4 FTE positions.....		4,139,900
5	Diabetes and kidney program--8.0 FTE positions		1,893,300
6	Injury control intervention project		1,350,000
7	Smoking prevention program--12.0 FTE positions		2,111,000
8	Violence prevention--2.9 FTE positions		<u>1,824,000</u>
9	GROSS APPROPRIATION.....	\$	96,754,700
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		49,169,800
13	Special revenue funds:		
14	Total private revenues.....		38,778,400
15	Total other state restricted revenues.....		5,535,000
16	State general fund/general purpose.....	\$	3,271,500
17	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH		
18	SERVICES		
19	Full-time equated classified positions.....	65.6	
20	Childhood lead program--2.5 FTE positions.....		\$ 1,236,200
21	Dental programs--3.0 FTE positions.....		1,647,600
22	Dental program for persons with developmental		
23	disabilities		151,000
24	Family, maternal, and children's health services		
25	administration--46.1 FTE positions.....		7,817,800
26	Family planning local agreements.....		8,310,700
27	Local MCH services.....		7,018,100

1	Pregnancy prevention program.....	602,100
2	Prenatal care outreach and service delivery	
3	support--14.0 FTE positions	19,685,700
4	Special projects.....	6,832,900
5	Sudden infant death syndrome program.....	<u>321,300</u>
6	GROSS APPROPRIATION.....	\$ 53,623,400
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	41,805,000
10	Special revenue funds:	
11	Total local revenues.....	75,000
12	Total private revenues.....	874,500
13	State general fund/general purpose.....	\$ 10,868,900
14	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
15	NUTRITION PROGRAM	
16	Full-time equated classified positions..... 45.0	
17	Women, infants, and children program administration	
18	and special projects--45.0 FTE positions.....	\$ 17,923,200
19	Women, infants, and children program local	
20	agreements and food costs	<u>256,285,000</u>
21	GROSS APPROPRIATION.....	\$ 274,208,200
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	213,130,300
25	Special revenue funds:	
26	Total private revenues.....	61,077,900
27	State general fund/general purpose.....	\$ 0

1	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
2	Full-time equated classified positions.....	46.8
3	Children's special health care services	
4	administration--44.0 FTE positions.....	\$ 5,582,100
5	Bequests for care and services--2.8 FTE positions	1,528,800
6	Outreach and advocacy.....	5,510,000
7	Nonemergency medical transportation.....	1,505,900
8	Medical care and treatment.....	<u>187,931,700</u>
9	GROSS APPROPRIATION.....	\$ 202,058,500
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	106,258,400
13	Special revenue funds:	
14	Total private revenues.....	1,009,300
15	Total other state restricted revenues.....	3,857,400
16	State general fund/general purpose.....	\$ 90,933,400
17	Sec. 115. CRIME VICTIM SERVICES COMMISSION	
18	Full-time equated classified positions.....	13.0
19	Grants administration services--13.0 FTE positions ...	\$ 2,128,100
20	Justice assistance grants.....	15,000,000
21	Crime victim rights services grants.....	<u>16,870,000</u>
22	GROSS APPROPRIATION.....	\$ 33,998,100
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	18,696,900
26	Special revenue funds:	
27	Total other state restricted revenues.....	15,301,200

1	State general fund/general purpose.....	\$	0
2	Sec. 116. OFFICE OF SERVICES TO THE AGING		
3	Full-time equated classified positions.....		40.0
4	Office of services to aging administration--40.0 FTE		
5	positions	\$	7,600,700
6	Community services.....		39,013,900
7	Nutrition services.....		39,044,000
8	Foster grandparent volunteer program.....		2,233,600
9	Retired and senior volunteer program.....		627,300
10	Senior companion volunteer program.....		1,604,400
11	Employment assistance.....		3,500,000
12	Respite care program.....		<u>5,868,700</u>
13	GROSS APPROPRIATION.....	\$	99,492,600
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		57,534,600
17	Special revenue funds:		
18	Total private revenues.....		677,500
19	Merit award trust fund.....		4,068,700
20	Total other state restricted revenues.....		1,400,000
21	State general fund/general purpose.....	\$	35,811,800
22	Sec. 117. MEDICAL SERVICES ADMINISTRATION		
23	Full-time equated classified positions.....		495.5
24	Medical services administration--435.5 FTE positions .	\$	79,697,800
25	Healthy Michigan plan administration--36.0 FTE		
26	positions		49,353,800
27	Facility inspection contract.....		132,800

1	MIChild administration.....	3,500,000
2	Electronic health record incentive program--24.0 FTE	
3	positions	<u>144,233,600</u>
4	GROSS APPROPRIATION.....	\$ 276,918,000
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	233,720,400
8	Special revenue funds:	
9	Total local revenues.....	105,900
10	Total private revenues.....	100,000
11	Total other state restricted revenues.....	331,700
12	State general fund/general purpose.....	\$ 42,660,000
13	Sec. 118. MEDICAL SERVICES	
14	Hospital services and therapy.....	\$ 1,251,951,200
15	Hospital disproportionate share payments.....	45,000,000
16	Physician services.....	393,821,100
17	Medicare premium payments.....	408,503,400
18	Pharmaceutical services.....	303,791,800
19	Home health services.....	5,804,700
20	Hospice services.....	111,982,500
21	Transportation.....	23,288,200
22	Auxiliary medical services.....	7,268,800
23	Dental services.....	200,341,500
24	Ambulance services.....	11,000,000
25	Long-term care services.....	1,393,963,800
26	Integrated care organizations.....	478,495,500
27	Medicaid home- and community-based services waiver...	325,318,000

1	Adult home help services.....	302,440,800
2	Personal care services.....	12,237,000
3	Program of all-inclusive care for the elderly.....	66,672,600
4	Autism services.....	25,171,800
5	Health plan services.....	4,905,539,800
6	Health insurer fee reserve fund.....	87,057,500
7	MIChild program.....	71,220,100
8	Special indigent care payments.....	10,000,000
9	Federal Medicare pharmaceutical program.....	150,883,900
10	Maternal and child health.....	20,279,500
11	Healthy Michigan plan.....	2,376,690,900
12	Subtotal basic medical services program.....	12,988,724,400
13	School-based services.....	112,102,700
14	Special Medicaid reimbursement.....	321,831,500
15	Subtotal special medical services payments.....	<u>433,934,200</u>
16	GROSS APPROPRIATION.....	\$ 13,422,658,600
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	9,656,901,100
20	Special revenue funds:	
21	Total local revenues.....	30,583,200
22	Total private revenues.....	2,100,000
23	Merit award trust fund.....	64,266,000
24	Roads and risks reserve fund.....	60,900,000
25	Total other state restricted revenues.....	1,814,320,300
26	State general fund/general purpose.....	\$ 1,793,588,000
27	Sec. 119. INFORMATION TECHNOLOGY	

1	Information technology services and projects	\$	37,002,700
2	Michigan Medicaid information system		<u>50,201,100</u>
3	GROSS APPROPRIATION	\$	87,203,800
4	Appropriated from:		
5	Federal revenues:		
6	Total federal revenues		45,480,400
7	Special revenue funds:		
8	Total private revenues		20,000,000
9	Total other state restricted revenues		1,988,000
10	State general fund/general purpose	\$	19,735,400
11	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS		
12	University autism programs	\$	7,000,000
13	Autism family assistance services		1,500,000
14	Pay for success contracts		1,500,000
15	Bone marrow transplant registry		250,000
16	Child and adolescent health services		2,000,000
17	Mental health commission recommendations		8,962,500
18	Dental clinic program		4,092,300
19	Healthy kids dental computer project		3,000,000
20	Statewide trauma system		1,300,000
21	Senior Olympics		<u>100,000</u>
22	GROSS APPROPRIATION	\$	29,704,800
23	Appropriated from:		
24	Federal revenues:		
25	Total federal revenues		6,662,500
26	Special revenue funds:		
27	Autism coverage fund		5,500,000

1 State general fund/general purpose \$ 17,542,300

2 PART 2
 3 PROVISIONS CONCERNING APPROPRIATIONS
 4 FOR FISCAL YEAR 2014-2015

5 **GENERAL SECTIONS**

6 Sec. 201. Pursuant to section 30 of article IX of the state
 7 constitution of 1963, total state spending from state resources
 8 under part 1 for fiscal year 2014-2015 is \$5,301,104,900.00 and
 9 state spending from state resources to be paid to local units of
 10 government for fiscal year 2014-2015 is \$1,108,135,300.00. The
 11 itemized statement below identifies appropriations from which
 12 spending to local units of government will occur:

13 DEPARTMENT OF COMMUNITY HEALTH

14 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

15 Community residential and support services \$ 757,200

16 Housing and support services 812,800

17 BEHAVIORAL HEALTH SERVICES

18 State disability assistance program substance use

19 disorder services \$ 2,018,000

20 Community substance use disorder prevention,

21 education, and treatment programs 14,553,400

22 Medicaid mental health services 772,083,300

23 Community mental health non-Medicaid services 97,050,400

24 Mental health services for special populations 8,842,800

25 Medicaid substance use disorder services 15,806,200

1	Children's waiver home care program.....		6,056,200
2	Nursing home PAS/ARR-OBRA.....		2,725,300
3	PUBLIC HEALTH ADMINISTRATION		
4	Health and wellness initiatives.....	\$	3,584,600
5	HEALTH POLICY		
6	Primary care services.....	\$	413,900
7	LABORATORY SERVICES		
8	Laboratory services.....	\$	16,200
9	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
10	Sexually transmitted disease control program.....	\$	175,200
11	Immunization program.....		1,123,500
12	LOCAL HEALTH ADMINISTRATION AND GRANTS		
13	Implementation of 1993 PA 133, MCL 333.17015.....	\$	5,000
14	Essential local public health services.....		35,736,100
15	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
16	AIDS prevention, testing, and care programs.....	\$	1,600,100
17	Cancer prevention and control program.....		94,700
18	Chronic disease and health promotion administration..		12,000
19	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
20	Prenatal care outreach and service delivery support ..	\$	1,500,000
21	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
22	Medical care and treatment.....	\$	939,700
23	Outreach and advocacy.....		2,226,000
24	CRIME VICTIM SERVICES COMMISSION		
25	Crime victim rights services grants.....	\$	7,200,600
26	OFFICE OF SERVICES TO THE AGING		
27	Community services.....	\$	16,533,500

1	Nutrition services.....	10,587,000
2	Foster grandparent volunteer program.....	657,100
3	Retired and senior volunteer program.....	173,900
4	Senior companion volunteer program.....	348,800
5	Respite care program.....	5,115,000
6	MEDICAL SERVICES	
7	Dental services.....	\$ 990,600
8	Long-term care services.....	84,754,000
9	Transportation.....	1,359,300
10	Hospital services and therapy.....	2,344,700
11	Physician services.....	<u>9,938,200</u>

12 TOTAL OF PAYMENTS TO LOCAL UNITS

13 OF GOVERNMENT..... \$ 1,108,135,300

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

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

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

19 (b) "CMHSP" means a community mental health services program
20 as that term is defined in section 100a of the mental health code,
21 1974 PA 258, MCL 330.1100a.

22 (c) "Current fiscal year" means the fiscal year ending
23 September 30, 2015.

24 (d) "Department" means the department of community health.

25 (e) "Director" means the director of the department.

26 (f) "DSH" means disproportionate share hospital.

27 (g) "EPSDT" means early and periodic screening, diagnosis, and

1 treatment.

2 (h) "Federal poverty level" means the poverty guidelines
3 published annually in the federal register by the United States
4 department of health and human services under its authority to
5 revise the poverty line under 42 USC 9902.

6 (i) "FTE" means full-time equated.

7 (j) "GME" means graduate medical education.

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

11 (l) "HEDIS" means healthcare effectiveness data and information
12 set.

13 (m) "HIV" means human immunodeficiency virus.

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

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

17 (p) "MCH" means maternal and child health.

18 (q) "MIChild" means the program described in section 1670.

19 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
20 resident review required under the omnibus budget reconciliation
21 act of 1987, section 1919(e)(7) of the social security act, 42 USC
22 1396r.

23 (s) "PIHP" means a governmental entity designated by the
24 department as a regional entity or a specialty prepaid inpatient
25 health plan for Medicaid mental health services, services to
26 individuals with developmental disabilities, and substance use
27 disorder services. Regional entities are described in section 204b

1 of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty
2 prepaid inpatient health plans are described in section 232b of the
3 mental health code, 1974 PA 258, MCL 330.1232b.

4 (t) "Temporary assistance for needy families" means part A of
5 title IV of the social security act, 42 USC 601 to 619.

6 (u) "Title X" means title X of the public health service act,
7 42 USC 300 to 300a-8, that establishes grants to states for family
8 planning services.

9 (v) "Title XVIII" and "Medicare" mean title XVIII of the
10 social security act, 42 USC 1395 to 1395kkk-1.

11 (w) "Title XIX" and "Medicaid" mean title XIX of the social
12 security act, 42 USC 1396 to 1396w-5.

13 Sec. 204. (1) For each new program or program expansion for
14 which funds in excess of \$500,000.00 are appropriated in part 1,
15 the department shall identify specific benchmarks intended to
16 measure the performance or return on taxpayer investment of the
17 program and its associated expenditures. Not later than November 1,
18 2014, the department shall report the proposed benchmarks to the
19 house and senate appropriations subcommittees for that department,
20 the house and senate fiscal agencies, and the state budget
21 director. The department shall provide an update on its progress in
22 achieving those benchmarks at an appropriations subcommittee
23 meeting called for the purpose of discussing benchmarks and their
24 status.

25 (2) It is the intent of the legislature that, beginning with
26 the budget for the fiscal year ending September 30, 2016, any
27 proposal for a new program or an expansion of an existing program

1 in excess of \$500,000.00 initiated by the executive branch or the
2 legislature shall include, as part of the original proposal or
3 budget request, a list of benchmarks intended to measure the
4 performance or return on taxpayer investment of the program or
5 spending increase.

6 Sec. 206. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$200,000,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in part 1 under section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$40,000,000.00 for state
14 restricted contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in part 1 under section 393(2) of the management and budget act,
17 1984 PA 431, MCL 18.1393.

18 (3) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$20,000,000.00 for local
20 contingency funds. These funds are not available for expenditure
21 until they have been transferred to another line item in part 1
22 under section 393(2) of the management and budget act, 1984 PA 431,
23 MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$40,000,000.00 for private
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in part 1

1 under section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

3 Sec. 207. The department shall maintain, on a public
4 accessible website, a department scorecard that identifies, tracks,
5 and regularly updates key metrics that are used to monitor and
6 improve the department's performance.

7 Sec. 208. The departments and agencies receiving
8 appropriations in part 1 shall use the Internet to fulfill the
9 reporting requirements of this part and part 1. This requirement
10 may include transmission of reports via electronic mail to the
11 recipients identified for each reporting requirement, or it may
12 include placement of reports on the Internet or Intranet site.

13 Sec. 209. Funds appropriated in part 1 shall not be used for
14 the purchase of foreign goods or services, or both, if
15 competitively priced and of comparable quality American goods or
16 services, or both, are available. Preference shall be given to
17 goods or services, or both, manufactured or provided by Michigan
18 businesses if they are competitively priced and of comparable
19 quality. In addition, preference shall be given to goods or
20 services, or both, that are manufactured or provided by Michigan
21 businesses owned and operated by veterans if they are competitively
22 priced and of comparable quality.

23 Sec. 210. The director and the director of the office of
24 services to the aging shall take all reasonable steps to ensure
25 businesses in deprived and depressed communities compete for and
26 perform contracts to provide services or supplies, or both. The
27 director and the director of the office of services to the aging

1 shall strongly encourage firms with which the department contracts
2 to subcontract with certified businesses in depressed and deprived
3 communities for services, supplies, or both.

4 Sec. 211. If the revenue collected by the department from fees
5 and collections exceeds the amount appropriated in part 1, the
6 revenue may be carried forward with the approval of the state
7 budget director into the subsequent fiscal year. The revenue
8 carried forward under this section shall be used as the first
9 source of funds in the subsequent fiscal year.

10 Sec. 212. (1) On or before February 1 of the current fiscal
11 year, the department shall report to the house and senate
12 appropriations subcommittees on community health, the house and
13 senate fiscal agencies, and the state budget director on the
14 detailed name and amounts of federal, restricted, private, and
15 local sources of revenue that support the appropriations in each of
16 the line items in part 1.

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

23 Sec. 213. The state departments, agencies, and commissions
24 receiving tobacco tax funds and healthy Michigan funds from part 1
25 shall report by April 1 of the current fiscal year to the senate
26 and house appropriations committees, the senate and house fiscal
27 agencies, and the state budget director on the following:

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

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

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

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

11 (e) Any other information considered necessary by the house of
12 representatives or senate appropriations committees or the state
13 budget director.

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

20 (2) The department's ability to satisfy appropriation
21 deductions in part 1 shall not be limited to collections and
22 accruals pertaining to services provided in the current fiscal
23 year, but shall also include reimbursements, refunds, adjustments,
24 and settlements from prior years.

25 Sec. 218. The department shall include the following in its
26 annual list of proposed basic health services as required in part
27 23 of the public health code, 1978 PA 368, MCL 333.2301 to

1 333.2321:

2 (a) Immunizations.

3 (b) Communicable disease control.

4 (c) Sexually transmitted disease control.

5 (d) Tuberculosis control.

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

7 (f) Screening newborns for the conditions listed in section
8 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
9 recommended by the newborn screening quality assurance advisory
10 committee created under section 5430 of the public health code,
11 1978 PA 368, MCL 333.5430.

12 (g) Community health annex of the Michigan emergency
13 management plan.

14 (h) Prenatal care.

15 Sec. 219. (1) The department may contract with the Michigan
16 public health institute for the design and implementation of
17 projects and for other public health-related activities prescribed
18 in section 2611 of the public health code, 1978 PA 368, MCL
19 333.2611. The department may develop a master agreement with the
20 institute to carry out these purposes for up to a 3-year period.
21 The department shall report to the house and senate appropriations
22 subcommittees on community health, the house and senate fiscal
23 agencies, and the state budget director on or before January 1 of
24 the current fiscal year all of the following:

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

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

1 financing for each project.

2 (c) The expected project duration.

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

6 (2) On or before September 30 of the current fiscal year, the
7 department shall provide to the same parties listed in subsection
8 (1) a copy of all reports, studies, and publications produced by
9 the Michigan public health institute, its subcontractors, or the
10 department with the funds appropriated in part 1 and allocated to
11 the Michigan public health institute.

12 Sec. 223. The department may establish and collect fees for
13 publications, videos and related materials, conferences, and
14 workshops. Collected fees shall be used to offset expenditures to
15 pay for printing and mailing costs of the publications, videos and
16 related materials, and costs of the workshops and conferences. The
17 department shall not collect fees under this section that exceed
18 the cost of the expenditures.

19 Sec. 252. The appropriations in part 1 for healthy Michigan
20 plan-behavioral health, healthy Michigan plan administration, and
21 healthy Michigan plan are contingent on the provisions of the
22 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
23 contained in 2013 PA 107 not being amended, repealed, or otherwise
24 altered to eliminate the healthy Michigan plan. If that occurs,
25 then, upon the effective date of the amendatory act that amends,
26 repeals, or otherwise alters those provisions, the remaining funds
27 in the healthy Michigan plan-behavioral health, healthy Michigan

1 plan administration, and healthy Michigan plan line items shall
2 only be used to pay previously incurred costs and any remaining
3 appropriations shall not be allotted to support those line items.

4 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
5 state plan amendment, or a similar proposal to the centers for
6 Medicare and Medicaid services, the department shall notify the
7 house and senate appropriations subcommittees on community health
8 and the house and senate fiscal agencies of the submission.

9 (2) The department shall provide written or verbal biannual
10 reports to the senate and house appropriations subcommittees on
11 community health and the senate and house fiscal agencies
12 summarizing the status of any new or ongoing discussions with the
13 centers for Medicare and Medicaid services or the federal
14 department of health and human services regarding potential or
15 future Medicaid waiver applications.

16 (3) The department shall inform the senate and house
17 appropriations subcommittees on community health and the senate and
18 house fiscal agencies of any alterations or adjustments made to the
19 published plan for integrated care for individuals who are dual
20 Medicare/Medicaid eligibles when the final version of the plan has
21 been submitted to the federal centers for Medicare and Medicaid
22 services or the federal department of health and human services.

23 (4) At least 30 days before implementation of the plan for
24 integrated care for individuals who are dual Medicare/Medicaid
25 eligibles, the department shall submit the plan to the legislature
26 for review.

27 Sec. 266. The departments and agencies receiving

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

10 (a) The dates of each travel occurrence.

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

16 Sec. 267. The department shall not take disciplinary action
17 against an employee for communicating with a member of the
18 legislature or his or her staff.

19 Sec. 270. Within 180 days after receipt of the notification
20 from the attorney general's office of a legal action in which
21 expenses had been recovered pursuant to section 106(4) of the
22 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
23 under which the department has the right to recover expenses, the
24 department shall submit a written report to the house and senate
25 appropriations subcommittees on community health, the house and
26 senate fiscal agencies, and the state budget office which includes,
27 at a minimum, all of the following:

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

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

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

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

8 Sec. 276. Funds appropriated in part 1 shall not be used by a
9 principal executive department, state agency, or authority to hire
10 a person to provide legal services that are the responsibility of
11 the attorney general. This prohibition does not apply to legal
12 services for bonding activities and for those outside services that
13 the attorney general authorizes.

14 Sec. 282. (1) The department shall work with the department of
15 technology, management, and budget to establish an automated annual
16 metric collection, validation, and reporting system for contracts
17 via the state's e-procurement system by September 30 of the current
18 fiscal year. The department shall report the status of this work
19 and a project plan to the house and senate appropriations
20 subcommittees on community health and the house and senate fiscal
21 agencies by November 1 and May 1 of the current fiscal year.

22 (2) By June 30, 2016, the automated system established in
23 subsection (1) shall be able to generate a report to the house and
24 senate appropriations subcommittees on community health and the
25 house and senate fiscal agencies that presents performance metrics
26 on all new or existing contracts at renewal of \$1,000,000.00 or
27 more funded only with state general fund/general purpose or state

1 restricted resources. The performance metrics shall include, at a
2 minimum, service delivery volumes and provider or beneficiary
3 outcomes.

4 Sec. 287. Not later than November 30, the state budget office
5 shall prepare and transmit a report that provides for estimates of
6 the total general fund/general purpose appropriation lapses at the
7 close of the prior fiscal year. This report shall summarize the
8 projected year-end general fund/general purpose appropriation
9 lapses by major departmental program or program areas. The report
10 shall be transmitted to the chairpersons of the senate and house
11 appropriations committees, and the senate and house fiscal
12 agencies.

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

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

23 (3) By September 30 of the current fiscal year, the department
24 shall report to the house and senate appropriations subcommittees
25 on community health, house and senate fiscal agencies, and state
26 budget office on the rationale for all exceptions made to the
27 provision in subsection (1) and the number of contracts terminated

1 due to violations of subsection (1).

2 Sec. 292. The department shall cooperate with the department
3 of technology, management, and budget to maintain a searchable
4 website accessible by the public at no cost that includes, but is
5 not limited to, all of the following:

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

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

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

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

13 (e) Job specifications and wage rates.

14 Sec. 296. Within 14 days after the release of the executive
15 budget recommendation, the department shall cooperate with the
16 state budget office to provide the senate and house appropriations
17 chairs, the senate and house appropriations subcommittees on
18 community health, and the senate and house fiscal agencies with an
19 annual report on estimated state restricted fund balances, state
20 restricted fund projected revenues, and state restricted fund
21 expenditures for the fiscal years ending September 30, 2014 and
22 September 30, 2015.

23 Sec. 297. Total authorized appropriations from all sources
24 under part 1 for legacy costs for the fiscal year ending September
25 30, 2015 are \$89,124,600.00. From this amount, total agency
26 appropriations for pension-related legacy costs are estimated at
27 \$449,676,000.00. Total agency appropriations for retiree health

1 care legacy costs are estimated at \$39,448,600.00.

2 Sec. 298. From the funds appropriated in part 1 for the
3 Michigan Medicaid information system line item, \$20,000,000.00 in
4 private revenue will be allocated for the Michigan-Illinois
5 alliance Medicaid management information systems project.

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

16 **BEHAVIORAL HEALTH SERVICES**

17 Sec. 401. Funds appropriated in part 1 are intended to support
18 a system of comprehensive community mental health services under
19 the full authority and responsibility of local CMHSPs or PIHPs in
20 accordance with the mental health code, 1974 PA 258, MCL 330.1001
21 to 330.2106, the Medicaid provider manual, federal Medicaid
22 waivers, and all other applicable federal and state laws.

23 Sec. 402. (1) From funds appropriated in part 1, final
24 authorizations to CMHSPs or PIHPs shall be made upon the execution
25 of contracts between the department and CMHSPs or PIHPs. The
26 contracts shall contain an approved plan and budget as well as

1 policies and procedures governing the obligations and
2 responsibilities of both parties to the contracts. Each contract
3 with a CMHSP or PIHP that the department is authorized to enter
4 into under this subsection shall include a provision that the
5 contract is not valid unless the total dollar obligation for all of
6 the contracts between the department and the CMHSPs or PIHPs
7 entered into under this subsection for the current fiscal year does
8 not exceed the amount of money appropriated in part 1 for the
9 contracts authorized under this subsection.

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

14 (a) Any new contracts with CMHSPs or PIHPs that would affect
15 rates or expenditures are enacted.

16 (b) Any amendments to contracts with CMHSPs or PIHPs that
17 would affect rates or expenditures are enacted.

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

21 Sec. 403. (1) From the funds appropriated in part 1 for
22 mental health services for special populations, the
23 department may require each contractor to provide data and
24 information on performance-related metrics. These metrics may
25 include, but are not limited to, all of the following:

26 (a) Each contractor or subcontractor shall have a mission that
27 is consistent with the purpose of multicultural integration

1 funding.

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

5 (c) Each contractor or subcontractor shall demonstrate cost-
6 effectiveness.

7 (d) Each contractor or subcontractor shall ensure its ability
8 to leverage private dollars to strengthen and maximize service
9 provision.

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

13 (2) The department shall require an annual report from the
14 contractors that receive mental health services for special
15 populations funding. The annual report, due 60 days following the
16 end of the contract period, shall include specific information on
17 services and programs provided, the client base to which the
18 services and programs were provided, information on any wraparound
19 services provided, and the expenditures for those services. The
20 department shall provide the annual reports to the senate and house
21 appropriations subcommittees on community health, the senate and
22 house fiscal agencies, and the state budget office.

23 (3) The department of human services and the department shall
24 convene a workgroup to discuss and make recommendations on
25 including accreditation in the contractor specifications and
26 potentially moving toward competitive bidding. Each contractor
27 required to provide data per this section shall be invited to

1 participate in the workgroup.

2 Sec. 404. (1) Not later than May 31 of the current fiscal
3 year, the department shall provide a report on the community mental
4 health services programs, PIHPs, regional entities designated by
5 the department as PIHPs, and managing entities for substance use
6 disorders to the members of the house and senate appropriations
7 subcommittees on community health, the house and senate fiscal
8 agencies, and the state budget director that includes the
9 information required by this section.

10 (2) The report shall contain information for each CMHSP, PIHP,
11 regional entity designated by the department as a PIHP, and
12 managing entity for substance use disorders and a statewide
13 summary, each of which shall include at least the following
14 information:

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

18 (b) Per capita expenditures by client population group.

19 (c) Financial information that, minimally, includes a
20 description of funding authorized; expenditures by client group and
21 fund source; and cost information by service category, including
22 administration and funds specified for outside contracts. Service
23 category includes all department-approved services.

24 (d) Data describing service outcomes that includes, but is not
25 limited to, an evaluation of consumer satisfaction, consumer
26 choice, and quality of life concerns including, but not limited to,
27 housing and employment.

1 (e) Information about access to community mental health
2 services programs that includes, but is not limited to, the
3 following:

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

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

7 (f) The number of second opinions requested under the code and
8 the determination of any appeals.

9 (g) An analysis of information provided by CMHSPs in response
10 to the needs assessment requirements of the mental health code,
11 1974 PA 258, MCL 330.1001 to 330.2106, including information about
12 the number of individuals in the service delivery system who have
13 requested and are clinically appropriate for different services.

14 (h) Lapses and carryforwards during the immediately preceding
15 fiscal year for CMHSPs, PIHPs, regional entities designated by the
16 department as PIHPs, and managing entities for substance use
17 disorders.

18 (i) Information about contracts for both administrative and
19 mental health services entered into by CMHSPs, PIHPs, regional
20 entities designated by the department as PIHPs, and managing
21 entities for substance use disorders with providers and others,
22 including, but not limited to, all of the following:

23 (i) The amount of the contract, organized by type of service
24 provided.

25 (ii) Payment rates, organized by the type of service provided.

26 (iii) Administrative costs, including contract and consultant
27 costs, for services provided to CMHSPs, PIHPs, regional entities

1 designated by the department as PIHPs, and managing entities for
2 substance use disorders.

3 (j) Information on the community mental health Medicaid
4 managed care program, including, but not limited to, both of the
5 following:

6 (i) Expenditures by each CMHSP, PIHP, regional entity
7 designated by the department as a PIHP, and managing entity for
8 substance use disorders organized by Medicaid eligibility group,
9 including per eligible individual expenditure averages.

10 (ii) Performance indicator information required to be submitted
11 to the department in the contracts with CMHSPs, PIHPs, regional
12 entities designated by the department as PIHPs, and managing
13 entities for substance use disorders.

14 (k) An estimate of the number of direct care workers in local
15 residential settings and paraprofessional and other nonprofessional
16 direct care workers in settings where skill building, community
17 living supports and training, and personal care services are
18 provided by CMHSPs, PIHPs, regional entities designated by the
19 department as PIHPs, and managing entities for substance use
20 disorders as of September 30 of the prior fiscal year employed
21 directly or through contracts with provider organizations.

22 (3) The department shall include data reporting requirements
23 listed in subsection (2) in the annual contract with each
24 individual CMHSP, PIHP, regional entity designated by the
25 department as a PIHP, and managing entity for substance use
26 disorders.

27 (4) The department shall take all reasonable actions to ensure

1 that the data required are complete and consistent among all
2 CMHSPs, PIHPs, regional entities designated by the department as
3 PIHPs, and managing entities for substance use disorders.

4 Sec. 406. (1) The funds appropriated in part 1 for the state
5 disability assistance substance use disorder services program shall
6 be used to support per diem room and board payments in substance
7 use disorder residential facilities. Eligibility of clients for the
8 state disability assistance substance use disorder services program
9 shall include needy persons 18 years of age or older, or
10 emancipated minors, who reside in a substance use disorder
11 treatment center.

12 (2) The department shall reimburse all licensed substance use
13 disorder programs eligible to participate in the program at a rate
14 equivalent to that paid by the department of human services to
15 adult foster care providers. Programs accredited by department-
16 approved accrediting organizations shall be reimbursed at the
17 personal care rate, while all other eligible programs shall be
18 reimbursed at the domiciliary care rate.

19 Sec. 407. (1) The amount appropriated in part 1 for substance
20 use disorder prevention, education, and treatment grants shall be
21 expended to coordinate care and services provided to individuals
22 with severe and persistent mental illness and substance use
23 disorder diagnoses.

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

27 (3) The managing entity shall continue current efforts to

1 collaborate on the delivery of services to those clients with
2 mental illness and substance use disorder diagnoses with the goal
3 of providing services in an administratively efficient manner.

4 Sec. 408. (1) By April 1 of the current fiscal year, the
5 department shall report the following data from the prior fiscal
6 year on substance use disorder prevention, education, and treatment
7 programs to the senate and house appropriations subcommittees on
8 community health, the senate and house fiscal agencies, and the
9 state budget office:

10 (a) Expenditures stratified by department-designated community
11 mental health entity, by central diagnosis and referral agency, by
12 fund source, by subcontractor, by population served, and by service
13 type. Additionally, data on administrative expenditures by
14 department-designated community mental health entity shall be
15 reported.

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

18 (c) 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) 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 (2) The department shall take all reasonable actions to ensure
27 that the required data reported are complete and consistent among

1 all department-designated community mental health entities.

2 Sec. 410. The department shall assure that substance use
3 disorder treatment is provided to applicants and recipients of
4 public assistance through the department of human services who are
5 required to obtain substance use disorder treatment as a condition
6 of eligibility for public assistance.

7 Sec. 411. (1) The department shall ensure that each contract
8 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
9 programs to encourage diversion of individuals with serious mental
10 illness, serious emotional disturbance, or developmental disability
11 from possible jail incarceration when appropriate.

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

22 Sec. 412. The department shall contract directly with the
23 Salvation Army harbor light program to provide non-Medicaid
24 substance use disorder services.

25 Sec. 418. On or before the tenth of each month, the department
26 shall report to the senate and house appropriations subcommittees
27 on community health, the senate and house fiscal agencies, and the

1 state budget director on the amount of funding paid to PIHPs to
2 support the Medicaid managed mental health care program in the
3 preceding month. The information shall include the total paid to
4 each PIHP, per capita rate paid for each eligibility group for each
5 PIHP, and number of cases in each eligibility group for each PIHP,
6 and year-to-date summary of eligibles and expenditures for the
7 Medicaid managed mental health care program.

8 Sec. 424. Each PIHP that contracts with the department to
9 provide services to the Medicaid population shall adhere to the
10 following timely claims processing and payment procedure for claims
11 submitted by health professionals and facilities:

12 (a) A "clean claim" as described in section 111i of the social
13 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
14 days after receipt of the claim by the PIHP. A clean claim that is
15 not paid within this time frame shall bear simple interest at a
16 rate of 12% per annum.

17 (b) A PIHP shall state in writing to the health professional
18 or facility any defect in the claim within 30 days after receipt of
19 the claim.

20 (c) A health professional and a health facility have 30 days
21 after receipt of a notice that a claim or a portion of a claim is
22 defective within which to correct the defect. The PIHP shall pay
23 the claim within 30 days after the defect is corrected.

24 Sec. 428. Each PIHP shall provide, from internal resources,
25 local funds to be used as a bona fide part of the state match
26 required under the Medicaid program in order to increase capitation
27 rates for PIHPs. These funds shall not include either state funds

1 received by a CMHSP for services provided to non-Medicaid
2 recipients or the state matching portion of the Medicaid capitation
3 payments made to a PIHP.

4 Sec. 435. A county required under the provisions of the mental
5 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
6 matching funds to a CMHSP for mental health services rendered to
7 residents in its jurisdiction shall pay the matching funds in equal
8 installments on not less than a quarterly basis throughout the
9 fiscal year, with the first payment being made by October 1 of the
10 current fiscal year.

11 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
12 PIHP, or subcontracting provider agency is reviewed and accredited
13 by a national accrediting entity for behavioral health care
14 services, the department, by April 1 of the current fiscal year,
15 shall consider that CMHSP, PIHP, or subcontracting provider agency
16 in compliance with state program review and audit requirements that
17 are addressed and reviewed by that national accrediting entity.

18 (2) By June 1 of the current fiscal year, the department shall
19 report to the house and senate appropriations subcommittees on
20 community health, the house and senate fiscal agencies, and the
21 state budget office all of the following:

22 (a) A list of each CMHSP, PIHP, and subcontracting provider
23 agency that is considered in compliance with state program review
24 and audit requirements under subsection (1).

25 (b) For each CMHSP, PIHP, or subcontracting provider agency
26 described in subdivision (a), all of the following:

27 (i) The state program review and audit requirements that the

1 CMHSP, PIHP, or subcontracting provider agency is considered in
2 compliance with.

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

5 (3) The department shall continue to comply with state and
6 federal law and shall not initiate an action that negatively
7 impacts beneficiary safety.

8 (4) As used in this section, "national accrediting entity"
9 means the joint commission on accreditation of healthcare
10 organizations, the commission on accreditation of rehabilitation
11 facilities, the council of accreditation, the utilization review
12 accreditation commission, the national committee for quality
13 assurance, or other appropriate entity, as approved by the
14 department.

15 Sec. 495. From the funds appropriated in part 1 for behavioral
16 health program administration, \$3,350,000.00 is intended to address
17 the recommendations of the mental health diversion council.

18 Sec. 497. The population data used in determining the
19 distribution of substance use disorder block grant funds shall be
20 from the most recent federal census.

21 Sec. 502. (1) The department shall continue developing an
22 outreach program on fetal alcohol syndrome services. The department
23 shall report to the senate and house appropriations subcommittees
24 on community health and the senate and house fiscal agencies by
25 April 1 of the current fiscal year on efforts to prevent and combat
26 fetal alcohol syndrome as well as deficiencies in efforts to reduce
27 the incidence of fetal alcohol syndrome.

1 (2) The department shall explore federal grant funding to
2 address prevention services for fetal alcohol syndrome and reduce
3 alcohol consumption among pregnant women. The department shall
4 submit a progress report to the senate and house appropriations
5 subcommittees on community health and the senate and house fiscal
6 agencies by April 1 of the current fiscal year on efforts to secure
7 federal grants.

8 Sec. 503. The department shall notify the Michigan association
9 of community mental health boards when developing policies and
10 procedures that will impact PIHPs or CMHSPs.

11 Sec. 504. (1) The department shall create a workgroup to make
12 recommendations to achieve more uniformity in capitation payments
13 made to the PIHPs.

14 (2) The workgroup shall include but not be limited to
15 representatives of the department, PIHPs, and CMHSPs.

16 (3) The department shall provide the workgroup's
17 recommendations to the senate and house appropriations
18 subcommittees on community health, the senate and house fiscal
19 agencies, and the state budget director by March 1 of the current
20 fiscal year.

21 Sec. 505. For the purposes of special projects involving high-
22 need children or adults, including the not guilty by reason of
23 insanity population, the department may contract directly with
24 providers of services to these identified populations.

25 Sec. 506. No later than November 30 of the current fiscal
26 year, the department shall provide the house and senate
27 appropriations subcommittees on community health, the house and

1 senate fiscal agencies, and the state budget office with the most
2 recent cost data information submitted by the CMHSPs on how the
3 funds appropriated in part 1 for the community mental health
4 services non-Medicaid services line item were expended by each
5 CMHSP. At a minimum, the information must include CMHSPs general
6 fund/general purpose costs for each of the following categories:
7 administration, prevention, jail diversion and treatment services,
8 MIChild program, children's waiver home care program, children with
9 serious emotional disturbance waiver program, services provided to
10 individuals with mental illness and developmental disabilities who
11 are not eligible for Medicaid, and the Medicaid spend down
12 population.

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

14 Sec. 601. The department shall continue a revenue recapture
15 project to generate additional revenues from third parties related
16 to cases that have been closed or are inactive. A portion of
17 revenues collected through project efforts may be used for
18 departmental costs and contractual fees associated with these
19 retroactive collections and to improve ongoing departmental
20 reimbursement management functions.

21 Sec. 602. The purpose of gifts and bequests for patient living
22 and treatment environments is to use additional private funds to
23 provide specific enhancements for individuals residing at state-
24 operated facilities. Use of the gifts and bequests shall be
25 consistent with the stipulation of the donor. The expected
26 completion date for the use of gifts and bequests donations is

1 within 3 years unless otherwise stipulated by the donor.

2 Sec. 605. (1) The department shall not implement any closures
3 or consolidations of state hospitals, centers, or agencies until
4 CMHSPs or PIHPs have programs and services in place for those
5 individuals currently in those facilities and a plan for service
6 provision for those individuals who would have been admitted to
7 those facilities.

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

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

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

24 Sec. 606. The department may collect revenue for patient
25 reimbursement from first- and third-party payers, including
26 Medicaid and local county CMHSP payers, to cover the cost of
27 placement in state hospitals and centers. The department is

1 authorized to adjust financing sources for patient reimbursement
2 based on actual revenues earned. If the revenue collected exceeds
3 current year expenditures, the revenue may be carried forward with
4 approval of the state budget director. The revenue carried forward
5 shall be used as a first source of funds in the subsequent year.

6 Sec. 608. Effective October 1 of the current fiscal year, the
7 department, in consultation with the department of technology,
8 management, and budget, may maintain a bid process to identify 1 or
9 more private contractors to provide food service and custodial
10 services for the administrative areas at any state hospital
11 identified by the department as capable of generating savings
12 through the outsourcing of such services.

13 **PUBLIC HEALTH ADMINISTRATION**

14 Sec. 650. By October 1 of the current fiscal year, the
15 department shall provide to the senate and house appropriations
16 subcommittees on community health a report that includes detailed
17 information regarding the current process by which fish consumption
18 advisories are created and revised. The department shall include
19 all of the following information in the report:

20 (a) The triggers to begin the process for developing the fish
21 consumption advisories, such as evidence of human disease, fish
22 residue data, and biomonitoring data.

23 (b) The process for developing and modifying a fish
24 consumption advisory, including the data inputs used, the rationale
25 behind the selection of particular fish for collection, whether the
26 process has been independently reviewed and validated by a

1 scientific panel or benchmarked in any way, and the reasons for the
2 lack of any independent review, validation, or benchmarking.

3 (c) The type of data specific to a particular body of water
4 that would be needed to modify a current fish consumption advisory,
5 including the data quality criteria that are used to determine if
6 data are suitable for use in the assessment and exclusions to
7 bodies of data and the justifications for such exclusions.

8 (d) Information on the ways stakeholder input is incorporated
9 into the fish consumption advisory process prior to an advisory
10 being issued.

11 (e) Information on how advisory analyses are documented,
12 including how uncertainty analyses are conducted and reported, with
13 information as to whether these evaluations are publicly available
14 and, if not available, an explanation of why any such evaluations
15 are not publicly available.

16 Sec. 651. The department shall work with the Michigan health
17 endowment fund corporation established pursuant to section 653 of
18 the nonprofit health care corporation reform act, 1980 PA 350, MCL
19 550.1653, to explore ways to expand health and wellness programs.

20 Sec. 654. From the funds appropriated in part 1 for health and
21 wellness initiatives, \$1,000,000.00 shall be allocated for a school
22 children's healthy exercise program to promote and advance physical
23 health for school children in kindergarten through grade 8. The
24 department shall recommend model programs for sites to implement
25 that incorporate evidence-based best practices. The department
26 shall grant no less than 1/2 of the funds appropriated in part 1
27 for before- and after-school programs. The department shall

1 establish guidelines for program sites, which may include schools,
2 community-based organizations, private facilities, recreation
3 centers, or other similar sites. The program format shall encourage
4 local determination of site activities and shall encourage local
5 inclusion of youth in the decision-making regarding site
6 activities. Program goals shall include children experiencing
7 improved physical health and access to physical activity
8 opportunities, the reduction of obesity, providing a safe place to
9 play and exercise, and nutrition education. To be eligible to
10 participate, program sites shall provide a 20% match to the state
11 funding, which may be provided in full, or in part, by a
12 corporation, foundation, or private partner. The department shall
13 seek financial support from corporate, foundation, or other private
14 partners for the program or for individual program sites.

15 **HEALTH POLICY**

16 Sec. 709. (1) The funds appropriated in part 1 for the
17 Michigan essential health care provider program may also provide
18 loan repayment for dentists that fit the criteria established by
19 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
20 333.2727.

21 (2) From the funds appropriated in part 1 for the Michigan
22 essential health provider program, the department may reduce the
23 local and private share of the loan and repayment costs to 25% for
24 primary care physicians, particularly obstetricians and
25 gynecologists working in underserved areas.

26 Sec. 712. From the funds appropriated in part 1 for primary

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

7 Sec. 713. The department shall continue support of
8 multicultural agencies that provide primary care services from the
9 funds appropriated in part 1.

10 Sec. 715. The department shall evaluate options for
11 incentivizing students attending medical schools in this state to
12 meet their primary care residency requirements in this state and
13 ultimately, for some period of time, to remain in this state and
14 serve as primary care physicians.

15 Sec. 717. (1) The department may award health innovation
16 grants to address emerging issues and encourage cutting edge
17 advances in health care including strategic partners in both the
18 public and private sectors.

19 (2) The unexpended funds appropriated for the health
20 innovation grants are considered work project appropriations, and
21 any unencumbered or unallotted funds are carried forward into the
22 following fiscal year. The following is in compliance with section
23 451a(1) of the management and budget act, 1984 PA 431, MCL
24 18.1451a:

25 (a) The purpose of the project to be carried forward is to
26 address emerging issues and encourage cutting edge advances in
27 health care including strategic partners in both the public and

1 private sectors.

2 (b) The project will be accomplished by providing incentive
3 grants.

4 (c) The estimated cost of this project phase is identified in
5 the appropriation line item.

6 (d) The tentative completion date for the work project is
7 September 30, 2019.

8 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

9 Sec. 851. (1) From the funds appropriated in part 1 for the
10 healthy homes program, no less than \$1,750,000.00 shall be
11 allocated for lead abatement of homes.

12 (2) The department shall coordinate its lead abatement efforts
13 with the Michigan community action agency association, specifically
14 on the issue of window replacement.

15 Sec. 852. The department shall develop a plan designed to
16 improve Michigan's childhood and adolescent immunization rates. The
17 department shall engage organizations working to provide
18 immunizations and education about the value of vaccines, including,
19 but not limited to, statewide organizations representing health
20 care providers, local public health departments, child health
21 interest groups, and private foundations with a mission to increase
22 immunization rates.

23 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

24 Sec. 901. The amount appropriated in part 1 for implementation
25 of the 1993 additions of or amendments to sections 9161, 16221,

1 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
2 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
3 333.17515, shall be used to reimburse local health departments for
4 costs incurred related to implementation of section 17015(18) of
5 the public health code, 1978 PA 368, MCL 333.17015.

6 Sec. 902. If a county that has participated in a district
7 health department or an associated arrangement with other local
8 health departments takes action to cease to participate in such an
9 arrangement after October 1 of the current fiscal year, the
10 department shall have the authority to assess a penalty from the
11 local health department's operational accounts in an amount equal
12 to no more than 6.25% of the local health department's essential
13 local public health services funding. This penalty shall only be
14 assessed to the local county that requests the dissolution of the
15 health department.

16 Sec. 904. (1) Funds appropriated in part 1 for essential local
17 public health services shall be prospectively allocated to local
18 health departments to support immunizations, infectious disease
19 control, sexually transmitted disease control and prevention,
20 hearing screening, vision services, food protection, public water
21 supply, private groundwater supply, and on-site sewage management.
22 Food protection shall be provided in consultation with the
23 department of agriculture and rural development. Public water
24 supply, private groundwater supply, and on-site sewage management
25 shall be provided in consultation with the department of
26 environmental quality.

27 (2) Local public health departments shall be held to

1 contractual standards for the services in subsection (1).

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

6 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

7 Sec. 1001. From the funds appropriated in part 1 for chronic
8 disease control and health promotion administration, \$150,000.00 is
9 appropriated for Alzheimer's disease services and shall be remitted
10 to the Alzheimer's association-Michigan chapters for the purpose of
11 carrying out a pilot project in Macomb, Monroe, and St. Joseph
12 Counties. The fiduciary for the funds is the Alzheimer's
13 association-greater Michigan chapter. The Alzheimer's association
14 shall provide enhanced services, including 24/7 helpline, continued
15 care consultation, and support groups, to individuals with
16 Alzheimer's disease or dementia and their families in the 3
17 counties, and partner with a Michigan public university to study
18 whether provision of such in-home support services significantly
19 delays the need for residential long-term care services for
20 individuals with Alzheimer's disease or dementia. The study must
21 also consider potential cost savings related to the delay of long-
22 term care services, if a delay is shown.

23 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

24 Sec. 1103. By January 3 of the current fiscal year the
25 department shall annually issue to the legislature, and to the

1 public on the Internet, a report providing estimated public funds
2 administered by the department for family planning, sexually
3 transmitted infection prevention and treatment, and pregnancies and
4 births, as well as demographics collected by the department as
5 voluntarily self-reported by individuals utilizing those services.
6 The department shall provide the actual expenditures by marital
7 status or, where actual expenditures are not available, shall
8 provide estimated expenditures by marital status. The department
9 may utilize the Plan First application (Form MSA 1582), MICHild,
10 and Healthy Kids application (DCH 0373) or Assistance Application
11 (DHS 1171) or any other official application for public assistance
12 for medical coverage to determine the actual or estimated public
13 expenditures based on marital status.

14 Sec. 1104. (1) Before April 1 of the current fiscal year, the
15 department shall submit a report to the house and senate fiscal
16 agencies and the state budget director on planned allocations from
17 the amounts appropriated in part 1 for local MCH services, prenatal
18 care outreach and service delivery support, family planning local
19 agreements, and pregnancy prevention programs. Using applicable
20 federal definitions, the report shall include information on all of
21 the following:

22 (a) Funding allocations.

23 (b) Actual number of women, children, and adolescents served
24 and amounts expended for each group for the immediately preceding
25 fiscal year.

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

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

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

8 Sec. 1106. Each family planning program receiving federal
9 title X family planning funds under 42 USC 300 to 300a-8 shall be
10 in compliance with all performance and quality assurance indicators
11 that the office of population affairs within the United States
12 department of health and human services specifies in the program
13 guidelines for project grants for family planning services. An
14 agency not in compliance with the indicators shall not receive
15 supplemental or reallocated funds.

16 Sec. 1108. The department shall not use state restricted funds
17 or state general funds appropriated in part 1 in the pregnancy
18 prevention program or family planning local agreements
19 appropriation line items for abortion counseling, referrals, or
20 services.

21 Sec. 1109. (1) From the amounts appropriated in part 1 for
22 dental programs, funds shall be allocated to the Michigan dental
23 association for the administration of a volunteer dental program
24 that provides dental services to the uninsured.

25 (2) Not later than December 1 of the current fiscal year, the
26 department shall report to the senate and house appropriations
27 subcommittees on community health and the senate and house standing

1 committees on health policy the number of individual patients
2 treated, number of procedures performed, and approximate total
3 market value of those procedures from the immediately preceding
4 fiscal year.

5 Sec. 1136. From the funds appropriated in part 1 for prenatal
6 care outreach and service delivery support, \$800,000.00 shall be
7 allocated for a pregnancy and parenting support services program,
8 which program must promote childbirth, alternatives to abortion,
9 and grief counseling. The department shall establish a program with
10 a qualified contractor that will contract with qualified service
11 providers to provide free counseling, support, and referral
12 services to eligible women during pregnancy through 12 months after
13 birth. As appropriate, the goals for client outcomes shall include
14 an increase in client support, an increase in childbirth choice, an
15 increase in adoption knowledge, an improvement in parenting skills,
16 and improved reproductive health through abstinence education. The
17 contractor of the program shall provide for program training,
18 client educational material, program marketing, and annual service
19 provider site monitoring. The department shall submit a report to
20 the house and senate appropriations subcommittees on community
21 health and the house and senate fiscal agencies by April 1 of the
22 current fiscal year on the number of clients served.

23 Sec. 1137. From the funds appropriated in part 1 for prenatal
24 care outreach and service delivery support, not less than
25 \$500,000.00 of funding shall be allocated for evidence-based
26 programs to reduce infant mortality including nurse family
27 partnership programs. The funds shall be used for enhanced support

1 and education to nursing teams or other teams of qualified health
2 professionals, client recruitment in areas designated as
3 underserved for obstetrical and gynecological services and other
4 high-need communities, strategic planning to expand and sustain
5 programs, and marketing and communications of programs to raise
6 awareness, engage stakeholders, and recruit nurses.

7 Sec. 1138. The department shall allocate funds appropriated in
8 section 113 of part 1 for family, maternal, and children's health
9 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

10 Sec. 1139. (1) By November 1, 2014, the department shall work
11 jointly with the department of human services and the Michigan
12 state housing development authority to appoint members to a joint
13 task force to review housing rehabilitation, energy and
14 weatherization, and hazard abatement program policies and to make
15 recommendations for integrating and coordinating project delivery
16 with the goals of serving more families and achieving better
17 outcomes by maximizing state and federal resources. The joint task
18 force must include all of the following:

19 (a) A representative of the department.

20 (b) A representative of the healthy homes section, lead safe
21 home program.

22 (c) A construction management specialist.

23 (d) A representative of the community development division.

24 (e) A representative of the Michigan state housing development
25 authority.

26 (f) An energy and weatherization staff representative from the
27 department of human services.

1 (g) A local weatherization operator.

2 (h) A certified lead professional or a certified lead
3 contractor.

4 (i) Representatives from at least 2 community organizations
5 that address harmful housing conditions.

6 (2) The department and the Michigan state housing development
7 authority shall organize the initial meeting of the task force and
8 shall provide administrative support for the task force.

9 (3) By March 1, 2015, the task force described in subsection
10 (1) shall provide to the house and senate chairs of the
11 appropriations subcommittees for the department and the department
12 of human services, the senate and house fiscal agencies, and the
13 senate and house policy offices a report of its findings and
14 recommendations.

15 Sec. 1140. From the funds appropriated in part 1 for prenatal
16 care outreach and service delivery support, equal consideration
17 shall be given to all eligible evidence-based providers in all
18 regions in contracting for rural health visitation services.

19 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

20 Sec. 1151. By January 1 of the current fiscal year, the
21 department shall provide to the senate and house appropriations
22 subcommittees on community health, the senate and house fiscal
23 agencies, and the state budget office a report on the number of
24 complaints received regarding access to generic peanut butter by
25 county, and a report on savings gained from implementing the
26 generic peanut butter purchasing requirement within the women,

1 infants, and children food and nutrition program.

2 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

3 Sec. 1202. The department may do 1 or more of the following:

4 (a) Provide special formula for eligible clients with
5 specified metabolic and allergic disorders.

6 (b) Provide medical care and treatment to eligible patients
7 with cystic fibrosis who are 21 years of age or older.

8 (c) Provide medical care and treatment to eligible patients
9 with hereditary coagulation defects, commonly known as hemophilia,
10 who are 21 years of age or older.

11 (d) Provide human growth hormone to eligible patients.

12 Sec. 1205. From the funds appropriated in part 1 for medical
13 care and treatment, the department is authorized to spend up to
14 \$500,000.00 for the continued development and expansion of
15 telemedicine capacity to allow families with children in the
16 children's special health care services program to access specialty
17 providers more readily and in a more timely manner.

18 **CRIME VICTIM SERVICES COMMISSION**

19 Sec. 1302. From the funds appropriated in part 1 for justice
20 assistance grants, up to \$200,000.00 shall be allocated for
21 expansion of forensic nurse examiner programs to facilitate
22 training for improved evidence collection for the prosecution of
23 sexual assault. The funds shall be used for program coordination
24 and training.

1 **OFFICE OF SERVICES TO THE AGING**

2 Sec. 1403. (1) By February 1 of the current fiscal year, the
3 office of services to the aging shall require each region to report
4 to the office of services to the aging and to the legislature home-
5 delivered meals waiting lists based upon standard criteria.

6 Determining criteria shall include all of the following:

7 (a) The recipient's degree of frailty.

8 (b) The recipient's inability to prepare his or her own meals
9 safely.

10 (c) Whether the recipient has another care provider available.

11 (d) Any other qualifications normally necessary for the
12 recipient to receive home-delivered meals.

13 (2) Data required in subsection (1) shall be recorded only for
14 individuals who have applied for participation in the home-
15 delivered meals program and who are initially determined as likely
16 to be eligible for home-delivered meals.

17 Sec. 1417. The department shall provide to the senate and
18 house appropriations subcommittees on community health, senate and
19 house fiscal agencies, and state budget director a report by March
20 30 of the current fiscal year that contains all of the following:

21 (a) The total allocation of state resources made to each area
22 agency on aging by individual program and administration.

23 (b) Detail expenditure by each area agency on aging by
24 individual program and administration including both state-funded
25 resources and locally-funded resources.

26 Sec. 1421. From the funds appropriated in part 1 for community
27 services, \$1,100,000.00 shall be allocated to area agencies on

1 aging for locally determined needs.

2 **MEDICAL SERVICES ADMINISTRATION**

3 Sec. 1501. The unexpended funds appropriated in part 1 for the
4 electronic health records incentive program are considered work
5 project appropriations, and any unencumbered or unallotted funds
6 are carried forward into the following fiscal year. The following
7 is in compliance with section 451a(1) of the management and budget
8 act, 1984 PA 431, MCL 18.1451a:

9 (a) The purpose of the project to be carried forward is to
10 implement the Medicaid electronic health record program that
11 provides financial incentive payments to Medicaid health care
12 providers to encourage the adoption and meaningful use of
13 electronic health records to improve quality, increase efficiency,
14 and promote safety.

15 (b) The projects will be accomplished according to the
16 approved federal advanced planning document.

17 (c) The estimated cost of this project phase is identified in
18 the appropriation line item.

19 (d) The tentative completion date for the work project is
20 September 30, 2019.

21 Sec. 1502. The department shall spend available work project
22 revenue plus any associated federal match to create and develop a
23 transparency database website. This funding is contingent upon
24 enactment of enabling legislation.

25 Sec. 1503. From the funds appropriated in part 1 for Healthy
26 Michigan plan administration, the department shall establish an

1 accounting structure within the Michigan administrative information
2 network that will allow expenditures associated with the
3 administration of the Healthy Michigan plan to be identified.

4 **MEDICAL SERVICES**

5 Sec. 1601. The cost of remedial services incurred by residents
6 of licensed adult foster care homes and licensed homes for the aged
7 shall be used in determining financial eligibility for the
8 medically needy. Remedial services include basic self-care and
9 rehabilitation training for a resident.

10 Sec. 1603. (1) The department may establish a program for
11 individuals to purchase medical coverage at a rate determined by
12 the department.

13 (2) The department may receive and expend premiums for the
14 buy-in of medical coverage in addition to the amounts appropriated
15 in part 1.

16 (3) The premiums described in this section shall be classified
17 as private funds.

18 Sec. 1605. The protected income level for Medicaid coverage
19 determined pursuant to section 106(1)(b)(iii) of the social welfare
20 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
21 assistance standard.

22 Sec. 1606. For the purpose of guardian and conservator
23 charges, the department may deduct up to \$60.00 per month as an
24 allowable expense against a recipient's income when determining
25 medical services eligibility and patient pay amounts.

26 Sec. 1607. (1) An applicant for Medicaid, whose qualifying

1 condition is pregnancy, shall immediately be presumed to be
2 eligible for Medicaid coverage unless the preponderance of evidence
3 in her application indicates otherwise. The applicant who is
4 qualified as described in this subsection shall be allowed to
5 select or remain with the Medicaid participating obstetrician of
6 her choice.

7 (2) An applicant qualified as described in subsection (1)
8 shall be given a letter of authorization to receive Medicaid
9 covered services related to her pregnancy. All qualifying
10 applicants shall be entitled to receive all medically necessary
11 obstetrical and prenatal care without preauthorization from a
12 health plan. All claims submitted for payment for obstetrical and
13 prenatal care shall be paid at the Medicaid fee-for-service rate in
14 the event a contract does not exist between the Medicaid
15 participating obstetrical or prenatal care provider and the managed
16 care plan. The applicant shall receive a listing of Medicaid
17 physicians and managed care plans in the immediate vicinity of the
18 applicant's residence.

19 (3) In the event that an applicant, presumed to be eligible
20 pursuant to subsection (1), is subsequently found to be ineligible,
21 a Medicaid physician or managed care plan that has been providing
22 pregnancy services to an applicant under this section is entitled
23 to reimbursement for those services until such time as they are
24 notified by the department that the applicant was found to be
25 ineligible for Medicaid.

26 (4) If the preponderance of evidence in an application
27 indicates that the applicant is not eligible for Medicaid, the

1 department shall refer that applicant to the nearest public health
2 clinic or similar entity as a potential source for receiving
3 pregnancy-related services.

4 (5) The department shall develop an enrollment process for
5 pregnant women covered under this section that facilitates the
6 selection of a managed care plan at the time of application.

7 (6) The department shall mandate enrollment of women, whose
8 qualifying condition is pregnancy, into Medicaid managed care
9 plans.

10 (7) The department shall encourage physicians to provide
11 women, whose qualifying condition for Medicaid is pregnancy, with a
12 referral to a Medicaid participating dentist at the first
13 pregnancy-related appointment.

14 Sec. 1611. (1) For care provided to medical services
15 recipients with other third-party sources of payment, medical
16 services reimbursement shall not exceed, in combination with such
17 other resources, including Medicare, those amounts established for
18 medical services-only patients. The medical services payment rate
19 shall be accepted as payment in full. Other than an approved
20 medical services co-payment, no portion of a provider's charge
21 shall be billed to the recipient or any person acting on behalf of
22 the recipient. Nothing in this section shall be considered to
23 affect the level of payment from a third-party source other than
24 the medical services program. The department shall require a
25 nonenrolled provider to accept medical services payments as payment
26 in full.

27 (2) Notwithstanding subsection (1), medical services

1 reimbursement for hospital services provided to dual
2 Medicare/medical services recipients with Medicare part B coverage
3 only shall equal, when combined with payments for Medicare and
4 other third-party resources, if any, those amounts established for
5 medical services-only patients, including capital payments.

6 Sec. 1620. (1) For fee-for-service recipients who do not
7 reside in nursing homes, the pharmaceutical dispensing fee shall be
8 \$2.75 or the pharmacy's usual or customary cash charge, whichever
9 is less. For nursing home residents, the pharmaceutical dispensing
10 fee shall be \$3.00 or the pharmacy's usual or customary cash
11 charge, whichever is less.

12 (2) The department shall require a prescription co-payment for
13 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
14 brand-name drug, except as prohibited by federal or state law or
15 regulation.

16 Sec. 1629. The department shall utilize maximum allowable cost
17 pricing for generic drugs that is based on wholesaler pricing to
18 providers that is available from at least 2 wholesalers who deliver
19 in the state of Michigan.

20 Sec. 1631. (1) The department shall require co-payments on
21 dental, podiatric, and vision services provided to Medicaid
22 recipients, except as prohibited by federal or state law or
23 regulation.

24 (2) Except as otherwise prohibited by federal or state law or
25 regulations, the department shall require Medicaid recipients to
26 pay the following co-payments:

27 (a) Two dollars for a physician office visit.

1 (b) Three dollars for a hospital emergency room visit.

2 (c) Fifty dollars for the first day of an inpatient hospital
3 stay.

4 (d) One dollar for an outpatient hospital visit.

5 Sec. 1641. An institutional provider that is required to
6 submit a cost report under the medical services program shall
7 submit cost reports completed in full within 5 months after the end
8 of its fiscal year.

9 Sec. 1657. (1) Reimbursement for medical services to screen
10 and stabilize a Medicaid recipient, including stabilization of a
11 psychiatric crisis, in a hospital emergency room shall not be made
12 contingent on obtaining prior authorization from the recipient's
13 HMO. If the recipient is discharged from the emergency room, the
14 hospital shall notify the recipient's HMO within 24 hours of the
15 diagnosis and treatment received.

16 (2) If the treating hospital determines that the recipient
17 will require further medical service or hospitalization beyond the
18 point of stabilization, that hospital shall receive authorization
19 from the recipient's HMO prior to admitting the recipient.

20 (3) Subsections (1) and (2) do not require an alteration to an
21 existing agreement between an HMO and its contracting hospitals and
22 do not require an HMO to reimburse for services that are not
23 considered to be medically necessary.

24 Sec. 1659. The following sections of this part are the only
25 ones that shall apply to the following Medicaid managed care
26 programs, including the comprehensive plan, MIChoice long-term care
27 plan, and the mental health, substance use disorder, and

1 developmentally disabled services program: 404, 411, 418, 428, 494,
2 1607, 1657, 1662, 1699, 1764, 1765, 1815, 1820, 1850, 1881, and
3 1888.

4 Sec. 1662. (1) The department shall assure that an external
5 quality review of each contracting HMO is performed that results in
6 an analysis and evaluation of aggregated information on quality,
7 timeliness, and access to health care services that the HMO or its
8 contractors furnish to Medicaid beneficiaries.

9 (2) The department shall require Medicaid HMOs to provide
10 EPSDT utilization data through the encounter data system, and HEDIS
11 well child health measures in accordance with the national
12 committee for quality assurance prescribed methodology.

13 (3) The department shall provide a copy of the analysis of the
14 Medicaid HMO annual audited HEDIS reports and the annual external
15 quality review report to the senate and house of representatives
16 appropriations subcommittees on community health, the senate and
17 house fiscal agencies, and the state budget director, within 30
18 days of the department's receipt of the final reports from the
19 contractors.

20 Sec. 1670. (1) The appropriation in part 1 for the MIChild
21 program is to be used to provide comprehensive health care to all
22 children under age 19 who reside in families with income at or
23 below 212% of the federal poverty level, who are uninsured and have
24 not had coverage by other comprehensive health insurance within 6
25 months of making application for MIChild benefits, and who are
26 residents of this state. The department shall develop detailed
27 eligibility criteria through the medical services administration

1 public concurrence process, consistent with the provisions of this
2 part and part 1. Health coverage for children in families between
3 160% and 212% of the federal poverty level shall be provided
4 through a state-based private health care program.

5 (2) The department may provide up to 1 year of continuous
6 eligibility to children eligible for the MIChild program unless the
7 family fails to pay the monthly premium, a child reaches age 19, or
8 the status of the children's family changes and its members no
9 longer meet the eligibility criteria as specified in the federally
10 approved MIChild state plan.

11 (3) Children whose category of eligibility changes between the
12 Medicaid and MIChild programs shall be assured of keeping their
13 current health care providers through the current prescribed course
14 of treatment for up to 1 year, subject to periodic reviews by the
15 department if the beneficiary has a serious medical condition and
16 is undergoing active treatment for that condition.

17 (4) To be eligible for the MIChild program, a child must be
18 residing in a family with an adjusted gross income of less than or
19 equal to 212% of the federal poverty level. The department's
20 verification policy shall be used to determine eligibility.

21 (5) The department shall contract with Medicaid health plans
22 to provide physical health services to MIChild enrollees. The
23 department may continue to obtain physical health services for
24 MIChild enrollees from health maintenance organizations and
25 preferred provider organizations currently under contract for
26 whatever duration is needed as determined by the department. The
27 department shall contractually require that health plans pay out-

1 of-network providers at the department fee schedule. The department
2 shall contract with qualified dental plans to provide dental
3 coverage for MIChild enrollees.

4 (6) The department may enter into contracts to obtain certain
5 MIChild services from community mental health service programs.

6 (7) The department may make payments on behalf of children
7 enrolled in the MIChild program from the line-item appropriation
8 associated with the program as described in the MIChild state plan
9 approved by the United States department of health and human
10 services, or from other medical services.

11 (8) The department shall assure that an external quality
12 review of each MIChild contractor, as described in subsection (5),
13 is performed, which analyzes and evaluates the aggregated
14 information on quality, timeliness, and access to health care
15 services that the contractor furnished to MIChild beneficiaries.

16 (9) The department shall develop an automatic enrollment
17 algorithm that is based on quality and performance factors.

18 (10) MIChild services shall include treatment for autism
19 spectrum disorders as defined in the federally approved Medicaid
20 state plan.

21 Sec. 1673. The department may establish premiums for MIChild
22 eligible individuals in families with income above 150% of the
23 federal poverty level. The monthly premiums shall not be less than
24 \$10.00 or exceed \$15.00 for a family.

25 Sec. 1677. The MIChild program shall provide all benefits
26 available under the Michigan benchmark plan that are delivered
27 through contracted providers and consistent with federal law,

1 including, but not limited to, the following medically necessary
2 services:

3 (a) Inpatient mental health services, other than substance use
4 disorder treatment services, including services furnished in a
5 state-operated mental hospital and residential or other 24-hour
6 therapeutically planned structured services.

7 (b) Outpatient mental health services, other than substance
8 use disorder services, including services furnished in a state-
9 operated mental hospital and community-based services.

10 (c) Durable medical equipment and prosthetic and orthotic
11 devices.

12 (d) Dental services as outlined in the approved MICHild state
13 plan.

14 (e) Substance use disorder treatment services that may include
15 inpatient, outpatient, and residential substance use disorder
16 treatment services.

17 (f) Care management services for mental health diagnoses.

18 (g) Physical therapy, occupational therapy, and services for
19 individuals with speech, hearing, and language disorders.

20 (h) Emergency ambulance services.

21 Sec. 1682. (1) The department shall implement enforcement
22 actions as specified in the nursing facility enforcement provisions
23 of section 1919 of title XIX, 42 USC 1396r.

24 (2) In addition to the appropriations in part 1, the
25 department is authorized to receive and spend penalty money
26 received as the result of noncompliance with medical services
27 certification regulations. Penalty money, characterized as private

1 funds, received by the department shall increase authorizations and
2 allotments in the long-term care accounts.

3 (3) Any unexpended penalty money, at the end of the year,
4 shall carry forward to the following year.

5 Sec. 1692. (1) The department is authorized to pursue
6 reimbursement for eligible services provided in Michigan schools
7 from the federal Medicaid program. The department and the state
8 budget director are authorized to negotiate and enter into
9 agreements, together with the department of education, with local
10 and intermediate school districts regarding the sharing of federal
11 Medicaid services funds received for these services. The department
12 is authorized to receive and disburse funds to participating school
13 districts pursuant to such agreements and state and federal law.

14 (2) From the funds appropriated in part 1 for medical services
15 school-based services payments, the department is authorized to do
16 all of the following:

17 (a) Finance activities within the medical services
18 administration related to this project.

19 (b) Reimburse participating school districts pursuant to the
20 fund-sharing ratios negotiated in the state-local agreements
21 authorized in subsection (1).

22 (c) Offset general fund costs associated with the medical
23 services program.

24 Sec. 1693. The special Medicaid reimbursement appropriation in
25 part 1 may be increased if the department submits a medical
26 services state plan amendment pertaining to this line item at a
27 level higher than the appropriation. The department is authorized

1 to appropriately adjust financing sources in accordance with the
2 increased appropriation.

3 Sec. 1694. From the funds appropriated in part 1 for special
4 Medicaid reimbursement, \$378,000.00 of general fund/general purpose
5 revenue and any associated federal match shall be distributed for
6 poison control services to an academic health care system that
7 includes a children's hospital that has a high indigent care
8 volume.

9 Sec. 1699. (1) The department may make separate payments in
10 the amount of \$45,000,000.00 directly to qualifying hospitals
11 serving a disproportionate share of indigent patients and to
12 hospitals providing GME training programs. If direct payment for
13 GME and DSH is made to qualifying hospitals for services to
14 Medicaid clients, hospitals shall not include GME costs or DSH
15 payments in their contracts with HMOs.

16 (2) The department shall allocate \$45,000,000.00 in DSH
17 funding using the distribution methodology used in fiscal year
18 2003-2004.

19 (3) By September 30 of the current fiscal year, the department
20 shall report to the senate and house appropriations subcommittees
21 on community health and the senate and house fiscal agencies on the
22 new distribution of funding to each eligible hospital from the GME
23 and DSH pools.

24 Sec. 1724. The department shall allow licensed pharmacies to
25 purchase injectable drugs for the treatment of respiratory
26 syncytial virus for shipment to physicians' offices to be
27 administered to specific patients. If the affected patients are

1 Medicaid eligible, the department shall reimburse pharmacies for
2 the dispensing of the injectable drugs and reimburse physicians for
3 the administration of the injectable drugs.

4 Sec. 1757. The department shall direct the department of human
5 services to obtain proof from all Medicaid recipients that they are
6 legal United States citizens or otherwise legally residing in this
7 country and that they are residents of this state before approving
8 Medicaid eligibility.

9 Sec. 1764. The department shall annually certify rates paid to
10 Medicaid health plans and specialty prepaid inpatient health plans
11 as being actuarially sound in accordance with federal requirements
12 and shall provide a copy of the rate certification and approval
13 immediately to the house and senate appropriations subcommittees on
14 community health and the house and senate fiscal agencies.

15 Sec. 1765. There shall be established a health insurer fee
16 reserve fund of \$30,000,000.00 general fund/general purpose and
17 associated federal match to provide funding to Medicaid health
18 plans for the cost of the 2015 insurance provider's fee under
19 section 9010 of the patient protection and affordable care act,
20 Public Law 111-148, as amended by the health care and education
21 reconciliation act of 2010, Public Law 111-152. Funds will be
22 expended as provided for in this section only after the internal
23 revenue service finalizes the 2015 percent assessment of the fee
24 and the state budget director approves the amount of reimbursement
25 from the fund. The state budget director shall provide notification
26 to the senate and house appropriations subcommittees on community
27 health and the senate and house fiscal agencies at least 15 days

1 before exercising the authority under this section. Upon
2 notification by the state budget director, the funds shall be
3 available for use as a source of financing for Medicaid health plan
4 payments.

5 Sec. 1775. If the state's application for a waiver to
6 implement managed care for dual Medicare/Medicaid eligibles is
7 approved by the federal government, the department shall provide
8 quarterly reports to the senate and house appropriations
9 subcommittees on community health and the senate and house fiscal
10 agencies on progress in implementing the waiver.

11 Sec. 1800. From the \$85,000,000.00 increase in funding in part
12 1 for outpatient disproportionate share hospital payments, the
13 department shall explore establishing a Medicaid value pool that
14 rewards and incentivizes hospitals providing low-cost and high-
15 quality Medicaid services. The department shall convene a workgroup
16 of hospitals to assist in the development of the metrics utilized
17 to determine value, and shall report to the senate and house
18 appropriations subcommittees on community health, the senate and
19 house fiscal agencies, and the state budget director on the results
20 of the workgroup by April 1 of the current fiscal year.

21 Sec. 1801. Beginning January 1, 2015, from the funds
22 appropriated in part 1 for physician services and health plan
23 services, the department shall use \$25,000,000.00 in general
24 fund/general purpose plus associated federal match to increase
25 medicaid rates for primary care services provided only by primary
26 care providers. For the purpose of this section, a primary care
27 provider is a physician, or a practitioner working under the

1 personal supervision of a physician, who is board-eligible or
2 certified with a specialty designation of family medicine, general
3 internal medicine, or pediatric medicine, or a provider who
4 provides the department with documentation of equivalency.
5 Providers performing a service and whose primary practice is as a
6 non-primary-care subspecialty is not eligible for the increase. The
7 department shall establish policies that most effectively limit the
8 increase to primary care providers for primary care services only.

9 Sec. 1802. From the funds appropriated in part 1, a lump-sum
10 payment shall be made to hospitals that qualified for rural
11 hospital access payments in fiscal year 2013-2014 and that provide
12 obstetrical care in the current fiscal year. The payment shall be
13 calculated as \$830.00 for each obstetrical care case payment and
14 each newborn care case payment for all such cases billed by the
15 qualified hospitals for fiscal year 2012-2013 and shall be paid
16 through the Medicaid health plan hospital rate adjustment process
17 by January 1 of the current fiscal year.

18 Sec. 1804. The department, in cooperation with the department
19 of human services and the department of military and veterans
20 affairs, shall work with the federal public assistance reporting
21 information system to identify Medicaid recipients who are veterans
22 and who may be eligible for federal veterans health care benefits
23 or other benefits.

24 Sec. 1815. From the funds appropriated in part 1 for health
25 plan services, the department shall not implement a capitation
26 withhold as part of the overall capitation rate schedule that
27 exceeds the 0.19% withhold administered during fiscal year 2008-

1 2009.

2 Sec. 1820. (1) In order to avoid duplication of efforts, the
3 department shall utilize applicable national accreditation review
4 criteria to determine compliance with corresponding state
5 requirements for Medicaid health plans that have been reviewed and
6 accredited by a national accrediting entity for health care
7 services.

8 (2) Upon submission by Medicaid health plans of a listing of
9 program requirements that are part of the state program review
10 criteria but are not reviewed by an applicable national accrediting
11 entity, the department shall review the listing and provide a
12 recommendation to the house and senate appropriations subcommittees
13 on community health, the house and senate fiscal agencies, and the
14 state budget office as to whether or not state program review
15 should continue. The Medicaid health plans may request the
16 department to convene a workgroup to fulfill this section.

17 (3) The department shall continue to comply with state and
18 federal law and shall not initiate an action that negatively
19 impacts beneficiary safety.

20 (4) As used in this section, "national accrediting entity"
21 means the national committee for quality assurance, the utilization
22 review accreditation committee, or other appropriate entity, as
23 approved by the department.

24 (5) By July 1 of the current fiscal year, the department shall
25 provide a progress report to the house and senate appropriations
26 subcommittees on community health, the house and senate fiscal
27 agencies, and the state budget office on implementation of this

1 section.

2 Sec. 1837. The department shall explore utilization of
3 telemedicine and telepsychiatry as strategies to increase access to
4 services for Medicaid recipients in medically underserved areas.

5 Sec. 1842. (1) Subject to the availability of funds, the
6 department shall adjust the hospital outpatient Medicaid
7 reimbursement rate for qualifying hospitals as provided in this
8 section. The Medicaid reimbursement rate for qualifying hospitals
9 shall be adjusted to provide each qualifying hospital with its
10 actual cost of delivering outpatient services to Medicaid
11 recipients.

12 (2) As used in this section, "qualifying hospital" means a
13 hospital that has not more than 50 staffed beds and is either
14 located outside a metropolitan statistical area or in a
15 metropolitan statistical area but within a city, village, or
16 township with a population of not more than 12,000 according to the
17 official 2010 federal decennial census and within a county with a
18 population of not more than 165,000 according to the official 2010
19 federal decennial census.

20 Sec. 1846. From the funds appropriated in part 1 for graduate
21 medical education, the department shall distribute the funds with
22 an emphasis on the following health care workforce goals:

23 (a) The encouragement of the training of physicians in
24 specialties, including primary care, that are necessary to meet the
25 future needs of residents of this state.

26 (b) The training of physicians in settings that include
27 ambulatory sites and rural locations.

1 Sec. 1848. It is the intent of the legislature that the
2 healthy kids dental program be expanded in fiscal year 2015-2016 to
3 cover Kent, Oakland, and Wayne counties.

4 Sec. 1850. The department may allow Medicaid health plans to
5 assist with the redetermination process through outreach activities
6 to ensure continuation of Medicaid eligibility and enrollment in
7 managed care. This may include mailings, telephone contact, or
8 face-to-face contact with beneficiaries enrolled in the individual
9 Medicaid health plan. Health plans may offer assistance in
10 completing paperwork for beneficiaries enrolled in their plan.

11 Sec. 1854. The department may work with a provider of kidney
12 dialysis services and renal care as authorized under section 2703
13 of the patient protection and affordable care act, Public Law 111-
14 148, to develop a chronic condition health home program for
15 Medicaid enrollees identified with chronic kidney disease and who
16 are beginning dialysis. If initiated, the department shall develop
17 metrics that evaluate program effectiveness and submit a report by
18 June 1 of the current fiscal year to the senate and house
19 appropriations subcommittees on community health. Metrics shall
20 include cost savings and clinical outcomes.

21 Sec. 1858. Medicaid services shall include treatment for
22 autism spectrum disorders as defined in the federally approved
23 Medicaid state plan. Such alternatives may be coordinated with the
24 Medicaid health plans and the Michigan association of health plans.

25 Sec. 1861. (1) The department shall conduct a review of the
26 efficiency and effectiveness of the current nonemergency
27 transportation system funded in part 1. For nonemergency

1 transportation services provided outside the current broker
2 coverage, the review is contingent on available detailed travel
3 data, including methods of travel, number of people served, travel
4 distances, number of trips, and costs of trips. The department
5 shall report the results of the review required under this
6 subsection to the house and senate appropriations subcommittees on
7 community health and the house and senate fiscal agencies no later
8 than September 30 of the current fiscal year.

9 (2) The department shall create a pilot nonemergency
10 transportation system in at least 2 counties with priority given to
11 Berrien and Muskegon Counties to provide nonemergency
12 transportation services encouraging use of nonprofit entities. The
13 transportation providers selected by the department are responsible
14 for ensuring that federal and state safety and training standards
15 are met.

16 Sec. 1862. From the funds appropriated in part 1, the
17 department shall increase payment rates for Medicaid obstetrical
18 services to 95% of Medicare levels effective October 1, 2014.

19 Sec. 1865. Upon federal approval of the department's proposal
20 for integrated care for individuals who are dual Medicare/Medicaid
21 eligibles, the department shall provide the senate and house
22 appropriations subcommittees on community health and the senate and
23 house fiscal agencies its plan and organizational chart for
24 administering and providing oversight of this proposal. The plan
25 shall include information on how the department intends to organize
26 staff in an integrated manner to ensure that key components of the
27 proposal are implemented effectively.

1 Sec. 1866. (1) From the funds appropriated in part 1 for
2 hospital services and therapy, \$12,000,000.00 in general
3 fund/general purpose revenue and any associated federal match shall
4 be awarded to hospitals that meet criteria established by the
5 department for services to low-income rural residents. One of the
6 reimbursement components of the distribution formula shall be
7 assistance with labor and delivery services.

8 (2) No hospital or hospital system shall receive more than
9 10.0% of the total funding referenced in subsection (1).

10 (3) To allow hospitals to understand their rural payment
11 amounts under this section, the department shall provide hospitals
12 with the methodology for distribution under this section and
13 provide each hospital with its applicable data that are used to
14 determine the payment amounts by August 1 of the current fiscal
15 year. The department shall publish the distribution of payments for
16 the current fiscal year and the immediately preceding fiscal year.

17 (4) The department shall report to the senate and house
18 appropriations subcommittees on community health and the senate and
19 house fiscal agencies on the distribution of funds referenced in
20 subsection (1) by April 1 of the current fiscal year.

21 Sec. 1870. The department shall work in collaboration with
22 Michigan-based medical schools that choose to participate in the
23 creation of a graduate medical education consortium known as
24 MIDocs. The purpose of MIDocs is to develop freestanding residency
25 training programs in primary care and other ambulatory care-based
26 specialties. MIDocs shall design residency training programs to
27 address physician shortage needs in this state, including placing

1 physicians post-residency in underserved communities across this
2 state. MIDocs shall give special consideration to small and rural
3 hospitals with a GME program director. MIDocs' voting members will
4 include any Michigan-based university with a medical school or an
5 affiliated faculty practice physician group that is making a
6 substantial contribution to MIDocs programs. The department shall
7 be a permanent nonvoting member of MIDocs. The department, in
8 collaboration with MIDocs voting members, may also appoint
9 nonvoting members to MIDocs to represent various stakeholders. As
10 the sponsoring institution and fiduciary, MIDocs shall assure
11 initial and continued accreditation from the accreditation council
12 for graduate medical education or ACGME, financial accountability,
13 clinical quality, and compliance. The department shall require an
14 annual report from MIDocs detailing per resident costs for medical
15 training and clinical quality measures. The department shall create
16 MIDocs no later than January 10, 2015. MIDocs shall provide the
17 department with a report proposing the creation of new residency
18 programs and an actionable plan for retaining consortium related
19 students post-residency, especially in underserved communities.
20 From the funds appropriated in part 1, \$500,000.00 is allocated to
21 prepare the report, legally create the consortium, prepare to
22 obtain ACGME accreditation, and develop new residency programs.

23 Sec. 1874. The department may explore ways to work with
24 private providers to develop fraud management solutions to reduce
25 fraud, waste, and abuse in this state's Medicaid program.

26 Sec. 1878. In any project negotiated with the federal
27 government for integrated health care of individuals dually

1 enrolled in Medicaid and Medicare, the department shall seek to
2 assure the existence of an ombudsman program that is not associated
3 with any project service manager or provider. For activities to be
4 undertaken by the ombudsman program, the department shall include,
5 but is not limited to, assisting beneficiaries with navigating
6 complaint and dispute resolution mechanisms, identifying problems
7 in the project's complaint and dispute resolution mechanisms, and
8 reporting to the executive and legislative branches on any such
9 problems and potential solutions for them.

10 Sec. 1879. In any program of integrated service for persons
11 dually enrolled in Medicaid and Medicare that the department
12 negotiates with the federal government, the department shall seek
13 to use the Medicare Part D benefit for prescription drug coverage.

14 Sec. 1881. The department shall create a default eligibility
15 and enrollment determination for newborns so that newborns are
16 assigned to the same Medicaid health plan as the mother at the time
17 of birth.

18 Sec. 1883. For the purposes of more effectively managing
19 inpatient care for Medicaid health plans and Medicaid fee-for-
20 service, the department shall consider developing an appropriate
21 policy and rate for observation stays.

22 Sec. 1886. The department shall work in conjunction with the
23 workgroup established by the department of human services to
24 determine how the state can maximize Medicaid claims for community-
25 based and outpatient treatment services to foster care children and
26 adjudicated youths who are placed in community-based treatment
27 programs. The department shall report to the senate and house

1 appropriations subcommittees on community health, the senate and
2 house fiscal agencies, the senate and house policy offices, and the
3 state budget office by March 1 of the current fiscal year on the
4 findings of the workgroup.

5 Sec. 1888. The department shall establish contract performance
6 standards associated with the capitation withhold provisions under
7 section 1815 for Medicaid health plans at least 3 months in advance
8 of the implementation of those standards. The determination of
9 whether performance standards have been met shall be based
10 primarily on recognized concepts such as 1-year continuous
11 enrollment and the healthcare effectiveness data and information
12 set, HEDIS, audited data.

13 Sec. 1890. From the funds appropriated in part 1 for
14 pharmaceutical services, the department shall ensure Medicaid
15 recipients access to breast pumps to support and encourage
16 breastfeeding. The department shall adjust Medicaid policy to, at a
17 minimum, provide an individual double electric style pump to a
18 breastfeeding mother when a physician prescribes such a device
19 based on diagnosis of mother or infant. If the distribution method
20 for pumps or other equipment is a department contract with durable
21 medical equipment providers, the department shall guarantee
22 providers stock and rent to Medicaid recipients without delay or
23 undue restriction.

24 Sec. 1892. The department shall conduct a workgroup jointly
25 with the department of human services, the department of
26 transportation, the department of corrections, the strategic fund
27 in the department of treasury, and members from both the senate and

1 house of representatives to determine if the state can maximize its
2 services and funding for transportation for low-income, elderly,
3 and disabled individuals through consolidating all of the current
4 transportation services for these populations under 1 department.

5 Sec. 1893. (1) The department, jointly with the department of
6 human services, shall explore the feasibility of securing federal
7 Medicaid funds for children in need of secure residential treatment
8 in this state. The departments shall include an examination of the
9 public juvenile detention facilities or private secure residential
10 facilities in this state as possible treatment sites.

11 (2) If the exploration determines that federal Medicaid funds
12 are available for services to this population, the department,
13 jointly with the department of human services, shall develop a plan
14 to provide stabilization services, assessment, and treatment
15 accordingly.

16 (3) By December 1 of the current fiscal year, the department,
17 jointly with the department of human services, shall provide a
18 progress report to the senate and house subcommittees on community
19 health and the senate and house fiscal agencies outlining all of
20 the following:

21 (a) The findings of the initial exploration.

22 (b) A comparison of similar services provided by juvenile
23 rehabilitation centers that receive Medicaid funds in other states,
24 including, but not limited to, the Woodside Juvenile Rehabilitation
25 Center in the State of Vermont, with those provided in public
26 juvenile detention facilities or private secure residential
27 facilities in this state.

1 (c) Any barriers to securing Medicaid funds for such services
2 in this state.

3 (d) Recommendations for future action, if any.

4 Sec. 1896. (1) From the funds appropriated in part 1 and upon
5 the receipt of private matching funds, the department shall
6 allocate up to \$35,000.00 to identify the impact of gestational
7 diabetes and reduce the impact of the condition on the Medicaid
8 program. These steps shall include all of the following:

9 (a) Reviewing Medicaid claims information and data to
10 determine the average cost of a case of gestational diabetes in
11 comparison to the cost of a noncomplicated pregnancy and the cost
12 of pregnancy for a woman with gestational diabetes.

13 (b) Determining the percentage and number of pregnant women
14 screened for gestational diabetes per established medical criteria.

15 (c) Determining the percentage and number of pregnant women
16 diagnosed with gestational diabetes in the Medicaid program each
17 year in comparison to all pregnant women in the Medicaid program.

18 (2) By September 30 of the current fiscal year, the department
19 shall submit a report to the legislature on steps taken and
20 proposed to increase the screening rate for gestational diabetes in
21 the Medicaid program, to reduce the number of women with
22 undiagnosed gestational diabetes giving birth in the Medicaid
23 program, to increase the number of pregnant women with gestational
24 diabetes receiving appropriate medical care in the Medicaid
25 program, and steps taken to improve the health of unborn and
26 newborn children of women diagnosed with gestational diabetes.

27 Sec. 1897. (1) From the funds appropriated in part 1, the

1 department shall take steps to identify the performance of the
2 Medicaid program on all diabetes-specific performance measures as
3 measured by the national committee for quality assurance and the
4 utilization review accreditation commission. These steps shall
5 include:

6 (a) Reviewing Medicaid claims information and data to
7 determine the performance of the Medicaid program's fee for service
8 and managed care plans for diabetes-specific and diabetes-related
9 measures as assessed by the national committee for quality
10 assurance and the utilization review accreditation commission over
11 the past 5 years.

12 (b) Comparing the claims information and data to the national
13 averages for diabetes-specific and diabetes-related measures as
14 assessed by the national committee for quality assurance and the
15 utilization review accreditation commission over the past 5 years.

16 (c) Identifying areas of strength and deficiencies for these
17 measures specific to the Medicaid program.

18 (2) By September 30 of the current fiscal year, the department
19 shall submit a report on steps taken and proposed to improve
20 national committee for quality assurance and utilization review
21 accreditation commission measure scores for all forms of diabetes
22 within the Medicaid program to the legislature.

23 Sec. 1899. From the funds appropriated in part 1 for personal
24 care services, the department shall increase the personal care
25 services rate by 6% effective October 1 of the current fiscal year.

26 **ONE-TIME BASIS ONLY APPROPRIATIONS**

1 Sec. 1902. (1) From the funds appropriated in part 1 for
2 university autism programs, the department shall make the following
3 allocations:

4 (a) \$1,000,000.00 to the Eastern Michigan University autism
5 center.

6 (b) \$500,000.00 to the Central Michigan University central
7 assessment lending library.

8 (c) \$500,000.00 to the Oakland University center for autism
9 research, education, and support.

10 (d) \$4,000,000.00 to the Western Michigan University autism
11 center of excellence.

12 (e) \$1,000,000.00 to Michigan State University autism
13 services.

14 (2) From the funds appropriated in part 1 for autism family
15 assistance services, \$1,500,000.00 shall be allocated to the autism
16 alliance for autism support services designed to aid individuals
17 and families in choosing treatment and other service options.

18 Sec. 1904. From the funds appropriated in part 1 for the
19 statewide trauma system, the department shall allocate funds to
20 establish and operate statewide systems for trauma, stroke, ST
21 segment elevation myocardial infarction, perinatal, and other time-
22 dependent systems of care.

23 Sec. 1905. From the funds appropriated in part 1 for bone
24 marrow transplant registry, \$250,000.00 shall be allocated to
25 Michigan Blood, the partner of the match registry of the national
26 marrow donor program. The funds shall be used to offset ongoing
27 tissue typing expenses associated with donor recruitment and

1 collection services and to expand those services to better serve
2 the citizens of this state.

3 Sec. 1906. (1) The department may initiate pay for success
4 pilot projects to identify and deliver services to improve outcomes
5 and lower costs for government services in this state. From the
6 funds appropriated in part 1 for pay for success contracts, the
7 department may initiate contracts with private and not-for-profit
8 vendors, selected through a competitive bid process, to implement
9 these pilot projects. Payments shall not be issued to funding
10 intermediaries or vendors until contractual performance measures
11 have been achieved and project savings have been confirmed by a
12 third-party evaluator, certified by the department and approved by
13 the state budget director.

14 (2) Unexpended funds appropriated in part 1 for pay for
15 success contracts are designated as work project appropriations,
16 and any unencumbered or unallotted funds shall not lapse at the end
17 of the fiscal year and shall be available for expenditures for the
18 pay for success contracts under this section until the projects
19 have been completed. All of the following are in compliance with
20 section 451a of the management and budget act, 1984 PA 431, MCL
21 18.1451a:

22 (a) The purpose of the projects is to coordinate cost-saving
23 projects to the state with public-private partnerships.

24 (b) The projects will be carried out through contracts with
25 private and not-for-profit vendors.

26 (c) The estimated cost of this work project is \$1,500,000.00.

27 (d) The estimated work project completion date is September

1 30, 2019.

2 PART 2A

3 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

4 FOR FISCAL YEAR 2015-2016

5 **GENERAL SECTIONS**

6 Sec. 2001. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, 2016 for
8 the line items listed in part 1. The fiscal year 2015-2016
9 appropriations are anticipated to be the same as those for fiscal
10 year 2014-2015, except that the line items will be adjusted for
11 changes in caseload and related costs, federal fund match rates,
12 economic factors, and available revenue. These adjustments will be
13 determined after the January 2015 consensus revenue estimating
14 conference.