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**FY 2002-03 APPROPRIATION REPORT  
DEPARTMENT OF COMMUNITY HEALTH  
Public Act No. 519 of 2002  
And Supplemental Actions**

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January 2003**

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**FY 2002-2003 APPROPRIATION REPORT  
DEPARTMENT OF COMMUNITY HEALTH**

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## **DEPARTMENT OF COMMUNITY HEALTH OVERVIEW**

The Department of Community Health (DCH) budget provides funding for Mental Health, Public Health, and Medical Services. Also included is funding for the Office of Drug Control Policy, the Office of Services to the Aging, and the Crime Victim Services Commission. Gross appropriations for FY 2002-03 are \$9.2 billion, of which \$2.4 billion is from GF/GP revenues.

Public Act 519 of 2002 is the main appropriation act for the Department of Community Health in FY 2002-03. However, Michigan's continuing economic problems and other actions resulted in a series of funding adjustments to the enacted Community Health budget in FY 2002-03 and FY 2001-02.

### **FY 2002-03 Funding Adjustments**

Separate appropriations were made for Medicaid Long-Term Care Services and Health Plan Services in non-budget bills enacted prior to passage of the Community Health budget. Public Act 303 of 2002 establishes a nursing home quality assurance assessment program that provides for a net 7% Medicaid rate increase to nursing homes and appropriates \$1.47 billion for Long-Term Care Services. Public Act 304 of 2002 establishes a health maintenance organization quality assurance assessment program that provides for a net 5% Medicaid rate increase to health maintenance organizations and appropriates \$1.48 billion for Health Plan Services. The appropriations for Long-Term Care Services, Home and Community Based Services, Health Maintenance Organizations, Adult Home Help, and Personal Care Services in the DCH budget bill, Public Act 519 of 2002, were subsequently vetoed by the Governor.

Public Act 562 of 2002 establishes a hospital quality assurance assessment program that provides for a Medicaid rate increase up to the maximum allowable under federal matching requirements and appropriates an additional \$149.2 million for Hospital Services and Therapy. It also directs that \$18.9 million from the quality assurance assessment fee be deposited in the State's general fund this year.

Public Act 746 of 2002 makes several funding adjustments to offset State GF/GP removed by Executive Order 2002-22. Nearly \$3.0 million in federal funds for Local MCH Services is appropriated to replace the same amount of GF/GP for the Maternity Outpatient Medical Services (MOMS) program. \$24.0 million of Healthy Michigan Funds primarily from the recently enacted cigarette tax hike are appropriated in place of an equal amount of GF/GP in the Medical Services unit. An additional \$6.1 million of new cigarette tax revenue is also allocated to replace the same amount of local funding for indigent health care in Wayne County pursuant to Public Act 503 of 2002.

Executive Order 2002-22 and related Budgetary Savings reduce the DCH budget by \$156.4 million Gross, \$83.0 million GF/GP. Of this amount, \$40.2 million Gross, \$16.6 million GF/GP is attributed to continuing the freeze on new enrollments in the Medicaid Home and Community Based Services Program, increased Medicaid third party recoveries, and the federal fund shift for the MOMS program cited in Public Act 746 of 2002. An additional \$111.7 million Gross, \$63.4 million GF/GP is removed through a 2.5% budgetary savings adjustment that was partially satisfied through Legislative transfers approved in December 2002. Legislative transfers to achieve the appropriated early retirement savings of \$5.4 million and \$25.6 million attributed to the original 1.0% budgetary savings were also adopted.

### **FY 2001-02 Funding Adjustments**

Public Act 120 of 2001 restores the FY 2001-02 Cancer Prevention and Control Program line item with an appropriation of \$1.5 million of state restricted Healthy Michigan Funds that had previously been vetoed.

Public Act 530 of 2002 appropriates an additional \$544.2 million while reducing State GF/GP by \$62.4 million. Funding for Medicaid mental health, local MCH services, children's special health care, county-based indigent care and other medical services funding is increased by \$346.5 million to reflect caseload and expenditure growth. In addition, \$31.2 million in federal Bioterrorism Preparedness funding is allocated for medical and public health bioterrorism preparedness initiatives at the state and local levels. Special Medicaid financing payments are increased by \$166.5 million which results in State GF/GP savings of \$60.0 million.

Public Act 560 of 2002 increases the Long-Term Care Services appropriation by \$25.1 million to authorize implementation during the last quarter of FY 2001-02 of the nursing home quality assurance assessment program enacted in Public Act 303 of 2002.

Public Act 746 of 2002 allocates an additional \$800,000 of new cigarette tax revenue to replace the same amount of local funding for indigent health care in Wayne County pursuant to Public Act 503 of 2002.

Executive Order 2001-9 reduces State GF/GP funding for the Department of Community Health by \$85.3 million. Of this amount, \$25.3 million was taken from multicultural services, mental health prevention pilots, HIV/AIDS testing, colorectal cancer prevention, employee wellness grants, Michigan Parkinson's initiative, violence prevention, adolescent health clinics, long-term care media campaign, senior citizen center improvements, and Medicaid funding for graduate medical education, hospitals, nursing homes, and ambulance services. The remaining \$60.0 million is GF/GP savings related to the increase in Medicaid special financing payments appropriated in Public Act 530 of 2002.

|  | FY 2001-02    | FY 2002-03    | FY 2002-03    | FY 2002-03    | FY 2002-03    |                 | FY 2002-03             |               |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|------------------------|---------------|
|  | COMM. HEALTH  | EXECUTIVE     | SENATE        | HOUSE         | ENROLLED      | FY 2002-03      | Contingent             |               |
| FY 2002-03   | YEAR-TO-DATE  | RECOMMEND.    | RECOMMEND.    | RECOMMEND.    | BILL          | VETOES          | Appropriations         | FY 2002-03    |
| P.A. 519 of 2002 (S.B. 1101)                             |               |               |               |               |               |                 | (Sec. 263, 1645, 1714) | ENACTED       |
| DEPARTMENT OF COMMUNITY HEALTH                           | 7-Feb-02      | 7-Feb-02      | 20-Mar-02     | 23-May-02     | 27-Jun-02     | 25-Jul-02       | 25-Jul-02              | 25-Jul-02     |
| <b>DEPARTMENT OF COMMUNITY HEALTH</b>                    |               |               |               |               |               |                 |                        |               |
| Full-time equated unclassified positions                 | 6.0           | 6.0           | 6.0           | 6.0           | 6.0           | 0.0             | 0                      | 6.0           |
| Full-time equated classified positions                   | 6,201.1       | 5,666.3       | 5,666.3       | 5,674.3       | 5,666.3       | 0.0             | 0                      | 5,666.3       |
| Average population                                       | 1,508.0       | 1,438.0       | 1,438.0       | 1,438.0       | 1,438.0       | 0.0             | 0                      | 1,438.0       |
| GROSS APPROPRIATION                                      | 8,525,720,000 | 9,155,663,900 | 9,472,115,600 | 9,507,445,200 | 9,799,182,300 | (3,366,157,400) | (130,495,500)          | 6,302,529,400 |
| Interdepartmental grant revenues:                        |               |               |               |               |               |                 |                        |               |
| Total interdepartmental grants and intradepartmental tra | 74,507,400    | 69,172,900    | 69,172,900    | 69,172,900    | 69,172,900    | 0               | 0                      | 69,172,900    |
| ADJUSTED GROSS APPROPRIATION                             | 8,451,212,600 | 9,086,491,000 | 9,402,942,700 | 9,438,272,300 | 9,730,009,400 | (3,366,157,400) | (130,495,500)          | 6,233,356,500 |
| Federal revenues:  |               |               |               |               |               |                 |                        |               |
| Total federal revenues                                   | 4,428,273,800 | 4,801,713,100 | 4,956,155,600 | 4,962,166,900 | 5,177,291,200 | (1,810,234,300) | (79,361,600)           | 3,287,695,300 |
| Special revenue funds:                                   |               |               |               |               |               |                 | 0                      |               |
| Total local revenues                                     | 1,063,251,900 | 1,065,265,900 | 1,065,265,900 | 1,065,265,900 | 1,065,265,900 | (127,126,400)   | 0                      | 938,139,500   |
| Total private revenues                                   | 63,585,600    | 63,122,600    | 63,122,600    | 64,736,600    | 64,736,600    | 0               | 0                      | 64,736,600    |
| Total local and private revenues                         | 1,126,837,500 | 1,128,388,500 | 1,128,388,500 | 1,130,002,500 | 1,130,002,500 | (127,126,400)   | 0                      | 1,002,876,100 |
| Tobacco settlement revenue                               | 88,561,000    | 70,768,200    | 70,768,200    | 72,268,200    | 70,768,200    | 0               | 0                      | 70,768,200    |
| Total other state restricted revenues                    | 246,882,500   | 522,560,000   | 684,569,200   | 710,247,700   | 874,240,600   | (270,763,300)   | (66,513,500)           | 536,963,800   |
| State general fund/general purpose                       | 2,560,657,800 | 2,563,061,200 | 2,563,061,200 | 2,563,587,000 | 2,477,706,900 | (1,158,033,400) | 15,379,600             | 1,335,053,100 |
|  |               |               |               |               |               |                 |                        |               |
|  |               |               |               |               |               |                 |                        |               |
|  |               |               |               |               |               |                 |                        |               |
|  |               |               |               |               |               |                 |                        |               |
|  |               |               |               |               |               |                 |                        |               |
|  |               |               |               |               |               |                 |                        |               |

|  |               | FY 2002-03     | FY 2002-03     | FY 2002-03     | FY 2002-03    | FY 2002-03         | FY 2002-03           | FY 2002-03     | FY 2002-03     |
|--|---------------|----------------|----------------|----------------|---------------|--------------------|----------------------|----------------|----------------|
|  |               | Supplemental   | Supplemental   | Supplemental   | Executive     | Transfers to       | Transfers to         | Supplemental   | FY 2002-03     |
| FY 2002-03   | FY 2002-03    | Appropriations | Appropriations | Appropriations | Order         | Execute EO 2002-22 | Execute PA 519       | Appropriations | YTD            |
| P.A. 519 of 2002 (S.B. 1101)   | ENACTED       | PA 303 of 2002 | PA 304 of 2002 | PA 562 of 2002 | 2002-22       | Budgetary Savings  | Budg Svgs, Early Ret | PA 746 of 2002 | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH   | 25-Jul-02     | 10-May-02      | 10-May-02      | 1-Oct-02       | 5-Dec-02      | 12-Dec-02          | 12-Dec-02            | 30-Dec-02      | 30-Dec-02      |
| <b>DEPARTMENT OF COMMUNITY HEALTH</b>  |               |                |                |                |               |                    |                      |                |                |
| Full-time equated unclassified positions   | 6.0           | 0.0            | 0.0            | 0.0            | 0.0           | 0.0                | 0.0                  | 0.0            | 6.0            |
| Full-time equated classified positions   | 5,666.3       | 0.0            | 0.0            | 0.0            | 0.0           | 0.0                | 0.0                  | 0.0            | 5,666.3        |
| Average population   | 1,438.0       | 0.0            | 0.0            | 0.0            | 0.0           | 0.0                | 0.0                  | 0.0            | 1,438.0        |
| GROSS APPROPRIATION  | 6,302,529,400 | 1,469,003,900  | 1,476,781,100  | 149,200,000    | (103,667,600) | (52,787,800)       | (1,725,500)          | 2,985,100      | 9,242,318,600  |
| Interdepartmental grant revenues:  |               |                |                |                |               |                    |                      |                |                |
| Total interdepartmental grants and intradepartmental tra   | 69,172,900    | 0              | 0              | 0              | 0             | 0                  | 0                    | 0              | 69,172,900     |
| ADJUSTED GROSS APPROPRIATION   | 6,233,356,500 | 1,469,003,900  | 1,476,781,100  | 149,200,000    | (103,667,600) | (52,787,800)       | (1,725,500)          | 2,985,100      | 9,173,145,700  |
| Federal revenues:  |               |                |                |                |               |                    |                      |                |                |
| Total federal revenues   | 3,287,695,300 | 814,122,200    | 817,495,900    | 82,686,800     | (20,636,400)  | (52,787,800)       | 0                    | 2,985,100      | 4,931,561,100  |
| Special revenue funds:   |               |                |                |                |               |                    |                      |                |                |
| Total local revenues   | 938,139,500   | 8,445,100      | 0              | 0              | 0             | 0                  | (1,725,500)          | (6,100,000)    | 938,759,100    |
| Total private revenues   | 64,736,600    | 0              | 0              | 0              | 0             | 0                  | 0                    | 0              | 64,736,600     |
| Total local and private revenues   | 1,002,876,100 | 8,445,100      | 0              | 0              | 0             | 0                  | (1,725,500)          | (6,100,000)    | 1,003,495,700  |
| Tobacco settlement revenue   | 70,768,200    | 0              | 0              | 0              | 0             | 0                  | 0                    | 0              | 70,768,200     |
| Total other state restricted revenues  | 536,963,800   | 44,829,000     | 55,747,000     | 66,513,500     | 0             | 0                  | 0                    | 30,100,000     | 734,153,300    |
| State general fund/general purpose   | 1,335,053,100 | 601,607,600    | 603,538,200    | 0              | (83,031,200)  | 0                  | 0                    | (24,000,000)   | 2,433,167,700  |
| <i>NOTE: As directed by section A of E.O. 2002-22, federal revenue reductions caused by the GF/GP reductions of the E.O. and the E.O. related Budgetary Savings are also implemented and included in the detail shown.</i> |               |                |                |                |               |                    |                      |                |                |
| <i>NOTE: Due to a \$300 discrepancy between revenue sources and appropriations in PA 562 of 2002, Year-To-Date appropriations do not equal revenues.</i>   |               |                |                |                |               |                    |                      |                |                |

## **DEPARTMENTWIDE ADMINISTRATION**

An economic increase of 2.0% (\$11,600 Gross and GF/GP) is included in the budget for the Director and Other Unclassified FTE positions. A reduction of \$11,600 Gross and GF/GP is included in the budget to finance the salaries and wages economic adjustment for the Director and Other Unclassified FTE positions.

The budget includes no appropriation changes to the Community Health Advisory Council line item.

Funds totaling \$1,581,900 Gross and GF/GP, and 22.0 FTEs are removed from the Departmental Administration and Management line item to achieve the FY 2001-02 budgetary savings for the Department. The savings are realized from vacant FTE positions (\$450,000) and staff reorganization (\$1,131,900). (Please note that in the transfer request dated November 6, 2002 from the State Budget Office and approved by the House of Representatives and Senate Appropriations Committees, funds totaling \$3,631,900 are removed from the Departmental Administration and Management line item to achieve the FY 2001-02 budgetary savings for the Department.) Funds for the Departmental Administration and Management line item are reduced by \$267,900 Gross and \$179,200 GF/GP for the final sick leave payout associated with the 1997 early retirement plan.

An economic increase of 2.0% (\$464,800 Gross and \$316,400 GF/GP) is included in the budget for Departmental Administration and Management employees' salaries and wages. A reduction of \$129,900 Gross and \$92,700 GF/GP is included in the budget for Departmental Administration and Management employees' defined benefit retirement costs. An economic increase of \$73,000 Gross and \$48,800 GF/GP is included in the budget for Departmental Administration and Management employees' defined contribution retirement costs.

The FY 2001-02 lump sum payment of \$375 for employees (\$169,700 Gross and \$111,500 GF/GP) is removed from the Departmental Administration and Management line item. A reduction of 5.0 FTEs, and \$290,100 Gross and GF/GP is included in the budget for the Departmental Administration and Management line item to finance employee-related economic adjustments. Funds and FTEs totaling \$27,008,000 Gross, \$13,878,200 GF/GP, and 144.0, respectively, are transferred from the Departmental Administration and Management line item to a new Information Technology appropriation unit for information technology projects.

Lump sum payment economics totaling \$125,700 Gross and \$83,900 GF/GP are transferred from the Departmental Administration and Management line item to a new Information Technology appropriation unit. The overstated license and fine fees of \$75,000 supporting the Departmental Administration and Management line item are eliminated. The

overstated tuition stipend revenue of \$135,000 supporting the Departmental Administration and Management line item are eliminated.

Additional newborn screening fee revenue of \$74,000 is recognized for the Departmental Administration and Management line item. Of the \$2.0 million in Healthy Michigan funds supporting the Department Administration and Management line item for health planning, \$1.0 million is shifted to GF/GP dollars. Funds and FTEs totaling \$63,900 Gross and GF/GP and 1.0, respectively, are transferred from the Departmental Administration and Management line item to the Laboratory Services line item to reflect where staff is assigned. Funds and FTEs totaling \$74,000 Gross, \$59,200 GF/GP and 1.0, respectively, are transferred from the Departmental Administration and Management line item to the Office of Services to the Aging line item to reflect where staff is assigned. Funds totaling \$81,300 Gross and GF/GP, and 1.0 FTE are transferred from the Worker's Compensation Program line item to the Departmental Administration and Management line item to reflect where staff is assigned. In order to reconcile to the Executive Budget bill, funds for the Departmental Administration and Management line item are increased by \$100 Gross (all federal dollars).

Funds for the Certificate of Need Program Administration line item are reduced by \$1,700 Gross and \$800 GF/GP for the final sick leave payout associated with the 1997 early retirement plan. An economic increase of 2.0% (\$10,800 Gross and \$3,300 GF/GP) is included in the budget for the Certificate of Need Program Administration employees' salaries and wages. A reduction of \$400 Gross and an increase of \$1,700 GF/GP are included in the budget for the Certificate of Need Program Administration employees' defined benefit retirement costs. An economic increase of \$1,700 Gross and \$600 GF/GP is included in the budget for Certificate of Need Program Administration employees' defined contribution retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$3,800 Gross and GF/GP) is removed from the Certificate of Need Program Administration line item. In order to reconcile to the Executive Budget bill, funding for the Certificate of Need Program Administration line item is changed as follows: the gross appropriation is reduced by \$100, the IDG from the Department of Treasury is increased by \$100, the state restricted revenue is decreased by \$100, and the GF/GP is reduced by \$100.

An economic increase of 8.9% (\$1,025,300 Gross and GF/GP) is included in the budget for the Worker's Compensation Program line item. Funds totaling \$81,300 Gross and GF/GP, and 1.0 FTE are transferred from the Departmental Administration and Management line item to the Worker's Compensation Program line item to reflect where staff is assigned. A reduction of \$1,941,200 is included in the budget for the Worker's Compensation Program line item to partially finance Healthy Michigan Fund initiatives.

An economic increase of 2.5% (\$223,900 Gross and \$156,700 GF/GP) is included in the budget for Rent and Building Occupancy line item. Miscellaneous federal revenue of \$124,000 is shifted to the WIC revenue supporting the Rent and Building Occupancy line item. Miscellaneous federal revenue of \$1,591,500 is shifted to the federal Medicaid revenue supporting the Rent and Building Occupancy line item.

Funds totaling \$3,300 Gross (all federal revenue) are transferred from the Developmental Disabilities Council and Projects line item to a new Information Technology appropriation unit for information technology projects. An economic increase of 2.0% (\$8,800 Gross and \$0 GF/GP) is included in the budget for Developmental Disabilities Council employees' salaries and wages. A reduction of \$7,900 Gross (all federal revenue) is included in the budget for Developmental Disabilities employees' defined benefit retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$3,400 Gross and \$0 GF/GP) is removed from the Developmental Disabilities Council and Projects line item. In order to reconcile to the Executive budget bill, the federal revenue supporting the Developmental Disabilities Council and Projects line item is reduced by \$100.

The federal revenue authorization for the Rural Health Services line item is increased by \$44,500 to recognize Rural Health Flexibility Program grants. The federal funds will assist underserved rural areas in the development of comprehensive health systems.

Funds totaling \$1,449,100 Gross and \$74,100 GF/GP for the Michigan Essential Health Care Provider Program line item are transferred from the Medical Services Administration (MSA) appropriation unit to the Departmentwide Administration appropriation unit since the Executive Office administers this program. The \$500,000 in Healthy Michigan funds supporting the Michigan Essential Health Care Provider Program was eliminated, pursuant to the leadership target agreement, and partially restored with \$5,000 in GF/GP dollars. The HMF fund reduction is then restored with GF/GP dollars due to implementation of Section 263 of Public Act 519 of 2002 which appropriated \$495,000 for the Michigan Essential Health Care Provider Program if taxes on cigarettes increased.

Funds totaling \$316,200 Gross and GF/GP for the Palliative and Hospice Care line item are transferred from the MSA appropriation unit to the Departmentwide Administration appropriation unit since the Executive Office administers this program.

Funds and FTEs totaling \$2,889,800 Gross, \$1,004,300 GF/GP, and 1.8, respectively, for the Primary Care Services line item are transferred from the MSA appropriation unit to the Departmentwide Administration appropriation unit since the Executive Office administers this program. An economic increase of 2.0% (\$1,200 Gross and \$0 GF/GP) is included in

the budget for Primary Care Services employees' salaries and wages. An economic increase of \$200 Gross (all federal revenue) is included in the budget for Primary Care Services employees' defined contribution retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$700 Gross and \$0 GF/GP) is removed from the Primary Care Services line item.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

Pursuant to implementing Executive Order 2002-22 which called for a 2.5% reduction in the GF/GP funds supporting the Department, the funds supporting the Departmental Administration and Management line item are reduced by \$1,333,300 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This line item reduction has resulted in the elimination of funds set aside for community health assessments.

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings totaling \$5,393,700 GF/GP, the funds supporting the Departmental Administration line are reduced by \$954,900 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees.

|  | FY 2001-02        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03        |            | FY 2002-03             |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|------------|------------------------|-------------------|
| FY 2002-03   | COMM. HEALTH      | EXECUTIVE         | SENATE            | HOUSE             | ENROLLED          |            | Contingent             |                   |
| P.A. 519 of 2002 (S.B. 1101)                             | YEAR-TO-DATE      | RECOMMEND.        | RECOMMEND.        | RECOMMEND.        | BILL              | FY 2002-03 | Appropriations         | FY 2002-03        |
| DEPARTMENT OF COMMUNITY HEALTH                           | 7-Feb-02          | 7-Feb-02          | 20-Mar-02         | 23-May-02         | 27-Jun-02         | VETOES     | (Sec. 263, 1645, 1714) | ENACTED           |
|  |                   |                   |                   |                   |                   | 25-Jul-02  | 25-Jul-02              | 25-Jul-02         |
| <b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>           |                   |                   |                   |                   |                   |            |                        |                   |
| Full-time equated unclassified positions                 | 6.0               | 6.0               | 6.0               | 6.0               | 6.0               | 0.0        | 0.0                    | 6.0               |
| Full-time equated classified positions                   | 514.7             | 343.5             | 343.5             | 351.5             | 343.5             | 0.0        | 0.0                    | 343.5             |
| Director and other unclassified--* FTE positions         | 581,500           | 581,500           | 581,500           | 581,500           | 581,500           | 0          | 0                      | 581,500           |
| * positions in above line                                | 6.0               | 6.0               | 6.0               | 6.0               | 6.0               | 0.0        | 0.0                    | 6.0               |
| Community health advisory council                        | 28,900            | 28,900            | 28,900            | 28,900            | 28,900            | 0          | 0                      | 28,900            |
| Departmental administration and management--* FTE p      | 56,197,100        | 26,969,200        | 26,969,200        | 26,969,200        | 26,969,200        | 0          | 0                      | 26,969,200        |
| * positions in above line                                | 491.7             | 319.7             | 319.7             | 319.7             | 319.7             | 0.0        | 0.0                    | 319.7             |
| Certificate of need program administration--* FTE positi | 938,300           | 944,800           | 944,800           | 1,500,000         | 944,800           | 0          | 0                      | 944,800           |
| * positions in above line                                | 13.0              | 13.0              | 13.0              | 21.0              | 13.0              | 0.0        | 0.0                    | 13.0              |
| Worker's compensation program--* FTE positions           | 11,504,000        | 12,448,000        | 12,448,000        | 12,147,000        | 10,506,800        | 0          | 0                      | 10,506,800        |
| * positions in above line                                | 1.0               | 0.0               | 0.0               | 0.0               | 0.0               | 0.0        | 0.0                    | 0.0               |
| Rent and building occupancy                              | 8,796,200         | 9,020,100         | 9,020,100         | 9,020,100         | 9,020,100         | 0          | 0                      | 9,020,100         |
| Developmental disabilities council and projects--* FTE p | 2,749,500         | 2,743,600         | 2,743,600         | 2,743,600         | 2,743,600         | 0          | 0                      | 2,743,600         |
| * positions in above line                                | 9.0               | 9.0               | 9.0               | 9.0               | 9.0               | 0.0        | 0.0                    | 9.0               |
| Rural health services                                    | 681,500           | 726,000           | 726,000           | 726,000           | 726,000           | 0          | 0                      | 726,000           |
| Michigan essential health care provider program          | 0                 | 1,449,100         | 1,449,100         | 1,720,000         | 954,100           | 0          | 495,000                | 1,449,100         |
| Palliative and hospice care                              | 0                 | 316,200           | 316,200           | 316,200           | 316,200           | 0          | 0                      | 316,200           |
| Primary care services--* FTE positions                   | 0                 | 2,890,500         | 5,534,700         | 5,640,500         | 2,890,500         | 0          | 0                      | 2,890,500         |
| * positions in above line                                | 0.0               | 1.8               | 1.8               | 1.8               | 1.8               | 0.0        | 0.0                    | 1.8               |
| <b>GROSS APPROPRIATION</b>                               | <b>81,477,000</b> | <b>58,117,900</b> | <b>60,762,100</b> | <b>61,393,000</b> | <b>55,681,700</b> | <b>0</b>   | <b>495,000</b>         | <b>56,176,700</b> |
| Appropriated from:                                       |                   |                   |                   |                   |                   |            |                        |                   |
| Interdepartmental grant revenues:                        |                   |                   |                   |                   |                   |            |                        |                   |
| Interdepartmental grant from the department of treasury  | 100,700           | 101,600           | 101,600           | 101,600           | 101,600           | 0          | 0                      | 101,600           |
| Federal revenues:  |                   |                   |                   |                   |                   |            |                        |                   |
| Total federal revenues                                   | 25,183,600        | 14,786,000        | 14,786,000        | 14,786,000        | 14,786,000        | 0          | 0                      | 14,786,000        |
| Special revenue funds:                                   |                   |                   |                   |                   |                   |            |                        |                   |
| Total private revenues                                   | 35,900            | 185,900           | 185,900           | 185,900           | 185,900           | 0          | 0                      | 185,900           |
| Total other state restricted revenues                    | 3,571,600         | 3,857,100         | 3,857,100         | 3,857,100         | 2,357,100         | 0          | 0                      | 2,357,100         |
| State general fund/general purpose                       | 52,585,200        | 39,187,300        | 41,831,500        | 42,462,400        | 38,251,100        | 0          | 495,000                | 38,746,100        |

|  |                   | FY 2002-03         | FY 2002-03            |                   |
|--|-------------------|--------------------|-----------------------|-------------------|
|  |                   | Transfers to       | Transfers to          | FY 2002-03        |
| FY 2002-03   | FY 2002-03        | Execute EO 2002-22 | Execute PA 519        | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                             | ENACTED           | Budgetary Savings  | Budg Svgs, Early Ret. | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                           | 25-Jul-02         | 12-Dec-02          | 12-Dec-02             | 30-Dec-02         |
| <b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>           |                   |                    |                       |                   |
| Full-time equated unclassified positions                 | 6.0               | 0.0                | 0.0                   | 6.0               |
| Full-time equated classified positions                   | 343.5             | 0.0                | 0.0                   | 343.5             |
| Director and other unclassified--* FTE positions         | 581,500           | 0                  | 0                     | 581,500           |
| * positions in above line                                | 6.0               | 0.0                | 0.0                   | 6.0               |
| Community health advisory council                        | 28,900            | 0                  | 0                     | 28,900            |
| Departmental administration and management--* FTE p      | 26,969,200        | (1,333,300)        | (954,900)             | 24,681,000        |
| * positions in above line                                | 319.7             | 0.0                | 0.0                   | 319.7             |
| Certificate of need program administration--* FTE positi | 944,800           | 0                  | 0                     | 944,800           |
| * positions in above line                                | 13.0              | 0.0                | 0.0                   | 13.0              |
| Worker's compensation program--* FTE positions           | 10,506,800        | 0                  | 0                     | 10,506,800        |
| * positions in above line                                | 0.0               | 0.0                | 0.0                   | 0.0               |
| Rent and building occupancy                              | 9,020,100         | 0                  | 0                     | 9,020,100         |
| Developmental disabilities council and projects--* FTE p | 2,743,600         | 0                  | 0                     | 2,743,600         |
| * positions in above line                                | 9.0               | 0.0                | 0.0                   | 9.0               |
| Rural health services                                    | 726,000           | 0                  | 0                     | 726,000           |
| Michigan essential health care provider program          | 1,449,100         | 0                  | 0                     | 1,449,100         |
| Palliative and hospice care                              | 316,200           | 0                  | 0                     | 316,200           |
| Primary care services--* FTE positions                   | 2,890,500         | 0                  | 0                     | 2,890,500         |
| * positions in above line                                | 1.8               | 0.0                | 0.0                   | 1.8               |
| <b>GROSS APPROPRIATION</b>                               | <b>56,176,700</b> | <b>(1,333,300)</b> | <b>(954,900)</b>      | <b>53,888,500</b> |
| Appropriated from:                                       |                   |                    |                       |                   |
| Interdepartmental grant revenues:                        |                   |                    |                       |                   |
| Interdepartmental grant from the department of treasury  | 101,600           | 0                  | 0                     | 101,600           |
| Federal revenues:  |                   |                    |                       |                   |
| Total federal revenues                                   | 14,786,000        | 0                  | 0                     | 14,786,000        |
| Special revenue funds:                                   |                   |                    |                       |                   |
| Total private revenues                                   | 185,900           | 0                  | 0                     | 185,900           |
| Total other state restricted revenues                    | 2,357,100         | (333,300)          | 0                     | 2,023,800         |
| State general fund/general purpose                       | 38,746,100        | (1,000,000)        | (954,900)             | 36,791,200        |

# **MENTAL HEALTH**

|   | FY 2001-02    | FY 2002-03    | FY 2002-03    | FY 2002-03    | FY 2002-03    |               | FY 2002-03             |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|---------------|
| FY 2002-03  | COMM. HEALTH  | EXECUTIVE     | SENATE        | HOUSE         | ENROLLED      | FY 2002-03    | Contingent             | FY 2002-03    |
| P.A. 519 of 2002 (S.B. 1101)                            | YEAR-TO-DATE  | RECOMMEND.    | RECOMMEND.    | RECOMMEND.    | BILL          | VETOES        | (Sec. 263, 1645, 1714) | ENACTED       |
| DEPARTMENT OF COMMUNITY HEALTH                          | 7-Feb-02      | 7-Feb-02      | 20-Mar-02     | 23-May-02     | 27-Jun-02     | 25-Jul-02     | 25-Jul-02              | 25-Jul-02     |
| <b>MENTAL HEALTH APPROPRIATION SUMMARY:</b>             |               |               |               |               |               |               |                        |               |
| Full-time equated classified positions                  | 4,766.0       | 4,392.0       | 4,392.0       | 4,392.0       | 4,392.0       | 0.0           | 0.0                    | 4,392.0       |
| Average population                                      | 1,508.0       | 1,438.0       | 1,438.0       | 1,438.0       | 1,438.0       | 0.0           | 0.0                    | 1,438.0       |
| GROSS APPROPRIATION                                     | 2,197,579,100 | 2,273,169,800 | 2,313,076,400 | 2,314,145,900 | 2,483,153,300 | (212,753,200) | 189,100                | 2,270,589,200 |
| Interdepartmental grant revenues:                       |               |               |               |               |               |               |                        |               |
| IDG-department of corrections                           | 73,796,000    | 68,088,700    | 68,088,700    | 68,088,700    | 68,088,700    | 0             | 0                      | 68,088,700    |
| Total interdepartmental grants and intradepartmental tr | 73,796,000    | 68,088,700    | 68,088,700    | 68,088,700    | 68,088,700    | 0             | 0                      | 68,088,700    |
| ADJUSTED GROSS APPROPRIATION                            | 2,123,783,100 | 2,205,081,100 | 2,244,987,700 | 2,246,057,200 | 2,415,064,600 | (212,753,200) | 189,100                | 2,202,500,500 |
| Federal revenues:                                       |               |               |               |               |               |               |                        |               |
| Total federal revenues                                  | 808,521,000   | 880,315,800   | 888,955,700   | 888,956,200   | 990,510,400   | (62,389,600)  | 0                      | 928,120,800   |
| Special revenue funds:                                  |               |               |               |               |               |               |                        |               |
| Total local revenues                                    | 187,328,500   | 191,772,200   | 191,772,200   | 191,772,200   | 191,772,200   | (8,837,100)   | 0                      | 182,935,100   |
| Total private revenues                                  | 2,160,000     | 690,000       | 690,000       | 690,000       | 690,000       | 0             | 0                      | 690,000       |
| Total local and private revenues                        | 189,488,500   | 192,462,200   | 192,462,200   | 192,462,200   | 192,462,200   | (8,837,100)   | 0                      | 183,625,100   |
| Total other state restricted revenues                   | 21,214,400    | 20,120,700    | 20,120,700    | 20,120,700    | 148,620,700   | (128,500,000) | 0                      | 20,120,700    |
| State general fund/general purpose                      | 1,104,559,200 | 1,112,182,400 | 1,143,449,100 | 1,144,518,100 | 1,083,471,300 | (13,026,500)  | 189,100                | 1,070,633,900 |
|   |               |               |               |               |               |               |                        |               |
|   |               |               |               |               |               |               |                        |               |
|   |               |               |               |               |               |               |                        |               |
|   |               |               |               |               |               |               |                        |               |
|   |               |               |               |               |               |               |                        |               |

|  |               | FY 2002-03         | FY 2002-03           |                |
|--|---------------|--------------------|----------------------|----------------|
|  |               | Transfers to       | Transfers to         | FY 2002-03     |
| FY 2002-03   | FY 2002-03    | Execute EO 2002-22 | Execute PA 519       | YTD            |
| P.A. 519 of 2002 (S.B. 1101)   | ENACTED       | Budgetary Savings  | Budg Svgs, Early Ret | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH   | 25-Jul-02     | 12-Dec-02          | 12-Dec-02            | 30-Dec-02      |
| <b>MENTAL HEALTH APPROPRIATION SUMMARY:</b>  |               |                    |                      |                |
| Full-time equated classified positions   | 4,392.0       | 0.0                | 0.0                  | 4,392.0        |
| Average population   | 1,438.0       | 0.0                | 0.0                  | 1,438.0        |
| GROSS APPROPRIATION  | 2,270,589,200 | (12,123,900)       | (12,063,300)         | 2,246,402,000  |
| Interdepartmental grant revenues:  |               |                    |                      |                |
| IDG-department of corrections  | 68,088,700    | 0                  | 0                    | 68,088,700     |
| Total interdepartmental grants and intradepartmental tr  | 68,088,700    | 0                  | 0                    | 68,088,700     |
| ADJUSTED GROSS APPROPRIATION   | 2,202,500,500 | (12,123,900)       | (12,063,300)         | 2,178,313,300  |
| Federal revenues:  |               |                    |                      |                |
| Total federal revenues   | 928,120,800   | (3,624,700)        | 0                    | 924,496,100    |
| Special revenue funds:   |               |                    |                      |                |
| Total local revenues   | 182,935,100   | 0                  | (1,725,500)          | 181,209,600    |
| Total private revenues   | 690,000       | 0                  | 0                    | 690,000        |
| Total local and private revenues   | 183,625,100   | 0                  | (1,725,500)          | 181,899,600    |
| Total other state restricted revenues  | 20,120,700    | 0                  | (2,000,000)          | 18,120,700     |
| State general fund/general purpose   | 1,070,633,900 | (8,499,200)        | (8,337,800)          | 1,053,796,900  |
| <i>NOTE: As directed by section A of E.O. 2002-22, federal revenue reductions caused by the GF/GP reductions of the E.O. and the E.O. related Budgetary Savings are also implemented and included in the detail shown.</i> |               |                    |                      |                |

## **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Funds totaling \$822,300 Gross and GF/GP, and 9.0 FTEs are removed from the Mental Health/Substance Abuse Program Administration line item to achieve the FY 2001-02 budgetary savings for the Department. The savings are realized from vacant FTE positions (\$550,000) and staff reorganization (\$272,300). (Please note that in the transfer request dated November 6, 2002 from the State Budget Office and approved by the House of Representatives and Senate Appropriations Committees, funds totaling \$1,135,400 are removed from the Mental Health/Substance Abuse Program Administration line item to achieve the FY 2001-02 budgetary savings for the Department.) A reduction of \$36,700 Gross and GF/GP is included in the budget for the Mental Health/Substance Abuse Program Administration line item for the final sick leave payout associated with the 1997 early retirement plan. Funds totaling \$33,500 Gross and \$31,300 GF/GP are transferred from the Mental Health/Substance Abuse Program Administration line item to the new Information Technology appropriation unit for information technology projects.

An economic increase of 2.0% (\$119,400 Gross and \$100,300 GF/GP) is included in the budget for Mental Health/Substance Abuse Program Administration employees' salaries and wages. A reduction of \$9,900 Gross and \$8,200 GF/GP is included in the budget for Mental Health/Substance Abuse Program Administration employees' defined benefit retirement costs. An economic increase of \$30,200 Gross and \$25,300 GF/GP is included in the budget for Mental Health/Substance Abuse Program Administration employees' defined contribution retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$38,600 Gross and \$32,400 GF/GP) is removed from the Mental Health/Substance Abuse Program Administration line item.

A reduction of \$116,000 Gross and GF/GP, and 2.0 FTEs is included in the budget for the Mental Health/Substance Abuse Program Administration line item to finance employee-related economic adjustments. Additional private revenue of \$30,000 from the Flinn Family Foundation is recognized for the Mental Health/Substance Abuse Program Administration line item. As is the case for FY 2001-02, the private revenue will be used to evaluate Assertive Community Treatment (ACT) services.

The budget includes no appropriation changes for the Consumer Involvement Program line item. The \$189,100 in GF/GP funds supporting the Consumer Involvement Program was eliminated, pursuant to the leadership target agreement, and then restored through implementation of Section 263 of Public Act 519 of 2002 which appropriated \$189,100 for this program if taxes on cigarettes increased.

The budget includes no appropriation changes to the Gambling Addiction line item.

The budget includes no appropriation changes to the Protection and Advocacy Services Support line item.

The budget includes no appropriation changes to the Mental Health Initiatives for Older Persons line item.

Funds totaling \$495,700 Gross and GF/GP are transferred from the Community Residential and Support Services line item to the CMH Non-Medicaid Services line item for 13 leases in Macomb County and 13 leases in Oakland County that expired in FY 2000-01.

The budget includes no appropriation changes to the Highway Safety Projects line item.

The budget includes no appropriation changes to the Federal and Other Special Projects line item.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings totaling \$5,393,700 GF/GP, the funds supporting the Mental Health/Substance Program Administration line item are reduced by \$595,800 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees.

|   | FY 2001-02        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03 | FY 2002-03             | FY 2002-03        |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------|------------------------|-------------------|
|   | COMM. HEALTH      | EXECUTIVE         | SENATE            | HOUSE             | ENROLLED          | FY 2002-03 | Contingent             | FY 2002-03        |
| P.A. 519 of 2002 (S.B. 1101)  | YEAR-TO-DATE      | RECOMMEND.        | RECOMMEND.        | RECOMMEND.        | BILL              | VETOES     | Appropriations         | ENACTED           |
| DEPARTMENT OF COMMUNITY HEALTH  | 7-Feb-02          | 7-Feb-02          | 20-Mar-02         | 23-May-02         | 27-Jun-02         | 25-Jul-02  | (Sec. 263, 1645, 1714) | 25-Jul-02         |
| <b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b> |                   |                   |                   |                   |                   |            |                        |                   |
| Full-time equated classified positions  | 112.0             | 101.0             | 101.0             | 101.0             | 101.0             | 0.0        | 0.0                    | 101.0             |
| Mental health/substance abuse program administration  | 11,050,000        | 10,172,600        | 10,172,600        | 10,172,600        | 10,172,600        | 0          | 0                      | 10,172,600        |
| * positions in above line   | 112.0             | 101.0             | 101.0             | 101.0             | 101.0             | 0.0        | 0.0                    | 101.0             |
| Consumer involvement program  | 189,100           | 189,100           | 189,100           | 189,100           | 0                 | 0          | 189,100                | 189,100           |
| Gambling addiction  | 3,500,000         | 3,500,000         | 3,500,000         | 3,500,000         | 3,500,000         | 0          | 0                      | 3,500,000         |
| Protection and advocacy services support  | 818,300           | 818,300           | 818,300           | 818,300           | 818,300           | 0          | 0                      | 818,300           |
| Mental health initiatives for older persons   | 1,165,800         | 1,165,800         | 1,165,800         | 1,165,800         | 1,165,800         | 0          | 0                      | 1,165,800         |
| Community residential and support services  | 4,969,300         | 4,473,600         | 4,473,600         | 4,473,600         | 4,473,600         | 0          | 0                      | 4,473,600         |
| Highway safety projects   | 1,837,200         | 1,837,200         | 1,837,200         | 1,837,200         | 1,837,200         | 0          | 0                      | 1,837,200         |
| Federal and other special projects  | 1,977,200         | 1,977,200         | 1,977,200         | 1,977,200         | 1,977,200         | 0          | 0                      | 1,977,200         |
| <b>GROSS APPROPRIATION</b>  | <b>25,506,900</b> | <b>24,133,800</b> | <b>24,133,800</b> | <b>24,133,800</b> | <b>23,944,700</b> | <b>0</b>   | <b>189,100</b>         | <b>24,133,800</b> |
| Appropriated from:  |                   |                   |                   |                   |                   |            |                        |                   |
| Federal revenues:   |                   |                   |                   |                   |                   |            |                        |                   |
| Total federal revenues  | 5,799,200         | 5,813,100         | 5,813,100         | 5,813,100         | 5,813,100         | 0          | 0                      | 5,813,100         |
| Special revenue funds:  |                   |                   |                   |                   |                   |            |                        |                   |
| Total private revenues  | 160,000           | 190,000           | 190,000           | 190,000           | 190,000           | 0          | 0                      | 190,000           |
| Total other state restricted revenues   | 3,682,300         | 3,682,300         | 3,682,300         | 3,682,300         | 3,682,300         | 0          | 0                      | 3,682,300         |
| State general fund/general purpose  | 15,865,400        | 14,448,400        | 14,448,400        | 14,448,400        | 14,259,300        | 0          | 189,100                | 14,448,400        |

|   |            | FY 2002-03            |                |
|---|------------|-----------------------|----------------|
|   |            | Transfers to          | FY 2002-03     |
| FY 2002-03  | FY 2002-03 | Execute PA 519        | YTD            |
| P.A. 519 of 2002 (S.B. 1101)  | ENACTED    | Budg Svgs, Early Ret. | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH  | 25-Jul-02  | 12-Dec-02             | 30-Dec-02      |
| <b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJ</b> |            |                       |                |
| Full-time equated classified positions  | 101.0      | 0.0                   | 101.0          |
| Mental health/substance abuse program administration:                                   | 10,172,600 | (595,800)             | 9,576,800      |
| * positions in above line   | 101.0      | 0.0                   | 101.0          |
| Consumer involvement program  | 189,100    | 0                     | 189,100        |
| Gambling addiction  | 3,500,000  | 0                     | 3,500,000      |
| Protection and advocacy services support  | 818,300    | 0                     | 818,300        |
| Mental health initiatives for older persons   | 1,165,800  | 0                     | 1,165,800      |
| Community residential and support services  | 4,473,600  | 0                     | 4,473,600      |
| Highway safety projects   | 1,837,200  | 0                     | 1,837,200      |
| Federal and other special projects  | 1,977,200  | 0                     | 1,977,200      |
| GROSS APPROPRIATION   | 24,133,800 | (595,800)             | 23,538,000     |
| Appropriated from:  |            |                       |                |
| Federal revenues:   |            |                       |                |
| Total federal revenues  | 5,813,100  | 0                     | 5,813,100      |
| Special revenue funds:  |            |                       |                |
| Total private revenues  | 190,000    | 0                     | 190,000        |
| Total other state restricted revenues   | 3,682,300  | 0                     | 3,682,300      |
| State general fund/general purpose  | 14,448,400 | (595,800)             | 13,852,600     |

## **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

Allocations for the Medicaid Mental Health Services line item are increased by \$4,850,000 Gross and \$2,125,300 GF/GP to recognize FY 1998-99 and FY 1999-2000 contractual days of care provided at centers for persons with developmental disabilities. The increase is financed by a GF/GP reduction to CMH Non-Medicaid Services. Allocations for the Medicaid Mental Health Services line item are increased by \$6,508,900 Gross and \$2,852,200 GF/GP to recognize FY 2000-01 contractual days of care provided at centers for persons with developmental disabilities. The increase is financed by a GF/GP reduction to the CMH Non-Medicaid Services line item and the CMHSP, Purchase of State Services Contracts line item. The budget includes a reduction of \$11,332,400 in the federal Medicaid revenue supporting the Medicaid Mental Health Services line item, with a corresponding increase in GF/GP dollars, due to a change in the Medicaid match rate from 56.36% to 55.42%. Funds for the Medicaid Mental Health Services are increased by \$34,879,700 Gross and \$15,549,400 GF/GP to recognize the caseload increase and change in mix for Medicaid eligibles for mental health and substance abuse services.

Funding for the Medicaid Mental Health Services line item is increased by \$6,436,200 Gross and \$2,008,700 GF/GP to provide mental health services to parents of Michigan eligible children whose income is between 50% and 100% of the federal poverty level (FPL) in MIFamily plan. Funds for the Medicaid Mental Health Services line item are increased by \$135,800 Gross and \$42,500 GF/GP to provide mental health services to pregnant women whose income is between 185% and 200% of the FPL in MIFamily Plan. Funds for the Medicaid Mental Health Services line item are increased by \$52,167,400 Gross and \$16,281,400 GF/GP to provide mental health services to single adults in the State Medical Program. All of the MI-Family Plan increases are financed by a reduction of funds from CMH Non-Medicaid Services. Capitation payment rates for Medicaid Mental Health Services are increased by 3.9% (\$50,246,700 Gross and \$22,400,000 GF/GP) as part of the financing strategy for MIFamily Plan. **The Governor has delayed implementation of MI-Family Plan until it is certain that the state can afford to commit the necessary resources for this expansion.**

The budget includes a 5.0% net increase in capitation payment rates (\$188,027,600 Gross and \$83,822,700 GF/GP) for CMHSPs that is financed through a provider assessment. These funds are representative of the total CMHSP payment to provide the net rate increase. The state restricted revenue for the Medicaid Mental Health Services line item is increased by \$126.0 million, with a corresponding reduction in the GF/GP, to reflect provider assessment revenue to be received from CMHSPs with a 6.0% assessment on \$2.1 billion in revenue. The provider assessment revenue to be received from CMHSPs is increased by \$2.5 million, with a corresponding reduction in the GF/GP, to provide additional funds to persons with severe mental, developmental, physical, or emotional disabilities who are not currently served under the Multicultural Services program. Funds totaling \$18.0 million Gross and GF/GP are transferred from the Medicaid Mental Health

Services line item to CMH Non-Medicaid Services line item for MI-Family Plan. Section 442 authorizes that the \$18.0 million be transferred back to the Medicaid Mental Health Services line item to the extent that persons are enrolled in MI-Family Plan.

**VETO – The Governor vetoed Section 448 and Section 449 boilerplate language that resulted in a reduction of \$188,027,600 in Gross dollars, \$59,527,600 in federal Medicaid revenue, and \$128,500,000 in state restricted revenue supporting the Medicaid Mental Health Services line item appropriation. The GF/GP impact of the veto is zero, rather than an increase of \$44,677,300, since the impact of a veto must be strictly negative.**

Funds totaling \$2,125,300 Gross and GF/GP are redirected from the CMH Non-Medicaid Services line item to the Medicaid Mental Health Services line item to finance FY 1998-99 and FY 1999-2000 contractual changes in days of care provided at centers for persons with developmental disabilities. Funds totaling \$30,000 Gross and GF/GP are redirected from the CMH Non-Medicaid Services line item to the Medicaid Mental Health Services line item to finance FY 2000-01 contractual days of care provided at centers for persons with developmental disabilities. Funds for the CMH Non-Medicaid Services line item are increased by \$25,300 Gross and GF/GP to recognize FY 2000-01 contractual changes in days of care provided at centers for persons with developmental disabilities. This adjustment did not qualify for change in the intensity factor, pursuant to a threshold established by the Department. The increase is financed by a reduction to CMHSP, Purchase of State Services Contracts.

Funds for the CMH Non-Medicaid Services line item are increased by \$379,700 Gross and GF/GP to recognize FY 1997-98 through FY 1999-2000 CMHSP earned patient days at state psychiatric hospitals. The increase is financed by a reduction to the CMHSP, Purchase of State Services Contracts line item. Funding for the CMH Non-Medicaid Services line item is increased by \$5,157,100 Gross and GF/GP to recognize FY 2000-01 CMHSP earned patient days at state psychiatric hospitals. The increase is financed by a reduction to the CMHSP, Purchase of State Services Contracts line item. Funds totaling \$495,700 Gross and GF/GP are transferred from the Community Residential and Support Services line item to the CMH Non-Medicaid Services line item for 13 leases in Macomb County and 13 leases in Oakland County that expired in FY 2000-01.

A lease revenue shortfall of \$300,000 for the CMH Non-Medicaid Services line item is recognized and replaced with GF/GP dollars. Funds totaling \$56,100 Gross and GF/GP are transferred from the CMH Non-Medicaid Services line item to the CMHSP, Purchase of State Services Contracts line item to correct Kent County CMHSP earned patient days in FY 1997-98. The GF/GP support for the CMH Non-Medicaid Services line item is reduced by \$40,739,400. Funds are used to secure additional federal revenue (Title XIX and MI Child) and finance initiatives within MIFamily Plan.

The FY 2000-01 one-time funds of \$288,000 Gross and GF/GP for the Michigan Jewish Federation of Metropolitan Detroit are removed from the Multicultural Services line item as part of the Department's efforts to achieve its FY 2001-02 budgetary savings. Funds totaling \$2.5 million are allocated for persons with severe mental, developmental, physical, or emotional disabilities who currently are not served under the Multicultural Services program.

**VETO – The Governor vetoed Section 449 boilerplate language that resulted in a \$2.5 million Gross and GF/GP reduction for the Multicultural Services line item.**

A reduction of \$233,600 is included in the budget for the federal Medicaid revenue supporting the Medicaid Substance Abuse Services line item, with a corresponding increase in GF/GP dollars, due to a change in the Medicaid match rate from 56.36% to 55.42%. Funding for the Medicaid Substance Abuse Services line item is increased by \$1,275,800 Gross and \$568,800 GF/GP to recognize a caseload increase and change in mix for Medicaid eligibles for substance abuse services.

The budget includes no appropriation changes to the Respite Services line item.

The budget includes a redirection of \$2,822,200 Gross and GF/GP to the Medicaid Mental Health Services line item from the CMHSP, Purchase of State Services Contracts line item to finance FY 2000-01 contractual days of care provided at centers for persons with developmental disabilities. The budget redirects \$25,300 Gross and GF/GP from the CMHSP, Purchase of State Services Contracts line item to the CMH Non-Medicaid Services line item to finance FY 2000-01 contractual days of care provided at centers for persons with developmental disabilities. This adjustment did not qualify for a change in the intensity factor, pursuant to a threshold established by the Department. Funds totaling \$379,700 Gross and GF/GP are redirected from the CMHSP, Purchase of State Services Contracts line item to the CMH Non-Medicaid Services line item to finance FY 1997-98 through FY 1999-2000 CMHSP earned patient days at state psychiatric hospitals.

The budget redirects \$5,157,100 Gross and GF/GP from the CMHSP, Purchase of State Services Contracts line item to the CMH Non-Medicaid Services line item to finance FY 2000-01 CMHSP earned patient days at state psychiatric hospitals. An error in the FY 2000-01 economics for state psychiatric hospitals and centers for persons with developmental disabilities is corrected resulting in a \$10,800 GF/GP increase for the CMHSP, Purchase of State Services Contracts line item. Funds totaling \$56,100 Gross and GF/GP are transferred from the CMH Non-Medicaid Services line item to the CMHSP, Purchase of State Services Contracts line item to correct for Kent County CMHSP earned patient days in FY 1997-98. The funds for the CMHSP, Purchase of State Services Contracts line item are increased by

\$536,400 Gross and GF/GP to finance the change in the federal Medicaid match rate from 56.36% to 55.42% for state psychiatric hospitals and centers for persons with developmental disabilities.

Funding for the CMHSP, Purchase of State Services Contracts line item is increased by \$1,524,300 Gross and GF/GP to recognize the 15% increase in pharmacy costs at state psychiatric hospitals and centers for persons with developmental disabilities. The funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$2,755,600 Gross and GF/GP to finance economic adjustments for state psychiatric hospitals and centers for persons with developmental disabilities. Funds totaling \$841,000 Gross and GF/GP are removed from the CMHSP, Purchase of State Services Contracts line item. These funds are associated with the FY 2001-02 lump sum payment of \$375 for employees at state psychiatric hospitals and centers for persons with developmental disabilities.

Funds totaling \$1,400 Gross and GF/GP are transferred from the CMHSP, Purchase of State Services Contracts line item to the Department of Information Technology. This transfer is the net of the lump sum reduction for state psychiatric hospitals and centers for persons with developmental disabilities. The CMHSP, Purchase of State Services Contracts funds are increased by \$8,837,100 Gross and GF/GP to partially cover “new” local revenue that would have been received from CMHSPs for utilization of state hospitals and centers in the Executive Budget Recommendation.

**VETO – The Governor vetoed Section 447 boilerplate language that resulted in a reduction of \$8,837,100 Gross and GF/GP for the CMHSP, Purchase of State Services Contracts line item appropriation.**

The budget includes no appropriation changes for the Civil Service Charges line item.

Funding that totals \$800 Gross and \$0 GF/GP are transferred from the Federal Mental Health Block Grant line item to a new Information Technology appropriation unit for information technology projects. An economic increase of 2.0% (\$2,300 Gross and \$0 GF/GP) is included in the budget for Federal Mental Health Block Grant employees’ salaries and wages. A reduction of \$300 Gross and \$0 GF/GP is included in the budget for Federal Mental Health Block Grant employees’ defined benefit retirement costs. An economic increase of \$800 Gross and \$0 GF/GP is included in the budget for Federal Mental Health Block Grant employee’s defined contribution retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$700 Gross and \$0 GF/GP) is removed from the Federal Mental Health Block Grant line item. An increase of \$3,769,400 Gross and \$0 GF/GP is included in the budget for the Federal Mental Health Block Grant line item anticipating a 7.4% average increase in the FY 2001-02 and FY 2002-03 grant awards.

The Executive Order 2001-9 reduction of \$196,300 Gross and GF/GP is annualized for the Pilot Projects in Prevention for Adults and Children line item appropriation resulting in the elimination of funding and 2.0 FTEs for this line item.

The budget includes no appropriation changes for the State Disability Assistance Program Substance Services line item.

**VETO – The Governor vetoed Section 412 boilerplate language that resulted in a reduction of \$1,146,400 Gross and GF/GP for the State Disability Assistance Program Substance Services line item appropriation. The funds were to be allocated to the Salvation Army for substance abuse services.**

The \$3.0 million in TANF funds that were originally designated in FY 1999-2000 for substance abuse treatment services for FIA recipients is eliminated from the Community Substance Abuse Prevention, Education and Treatment Programs line item. In FY 2001-02, \$700,000 in TANF funds was allocated to provide treatment services for offenders identified by the Drug Courts and \$300,000 was allocated to the Phoenix House Program. The budget includes \$1.0 million in administrative savings for the Community Substance Abuse Prevention, Education and Treatment Programs line item; however, administrative responsibility for these programs is not transferred from substance abuse coordinating agencies to CMHSPs as recommended in the Executive Budget.

**VETO – The Governor vetoed Section 412 boilerplate language that resulted in a \$3,405,000 Gross and \$543,000 GF/GP reduction in the Community Substance Abuse Prevention, Education and Treatment Programs line item appropriation. These funds were to be allocated to the Salvation Army for substance abuse services.**

## FY 2002-03 SUPPLEMENTAL ACTIONS

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

Pursuant to implementing Executive Order 2002-22 which called for a 2.5% reduction in the GF/GP funds supporting the Department, the funds supporting Medicaid Mental Health Services are reduced by \$2,915,700 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment to the line item will reduce the capitation payment rates for CMHSPs by 0.35% and eliminate optional Medicaid coverage for caretaker relatives of Medicaid eligible children, effective March 1, 2003. This GF/GP reduction will also result in the loss of \$3,624,700 in federal Medicaid revenue, thereby resulting in the funds for Medicaid Mental Health Services being reduced by \$6,540,400 Gross.

The funds supporting Community Mental Health Non-Medicaid Services line item are reduced by \$5,583,500 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This reduction is effective on February 1, 2003 and represents a 2.5% reduction in the funding formula for CMHSPs.

**1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included a 1% budgetary savings amount of \$25,630,600 GF/GP, the funds supporting the Medicaid Mental Health Services line item are reduced by \$2,422,300 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment results in reducing the capitation payment rates for CMHSPs by 0.75% effective March 1, 2003. This GF/GP reduction will also result in a loss of \$3,011,300 in federal Medicaid revenue; however, the reduction is not reflected in the authorizations for Medicaid Mental Health Services.

The General Fund/General Purpose funds of \$318,600 supporting the Respite Services line item are eliminated and the Healthy Michigan Funds supporting this line item are reduced by \$2.0 million in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. These adjustments result in eliminating funds for a program which provides respite services for children with serious emotional disturbances and their families.

Furthermore, the funds for the State Disability Assistance Program Substance Abuse Services line item are reduced by \$2,943,800 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment reduces full-year funding for substance abuse treatment room and board costs by 54%.

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings totaling \$5,393,700 GF/GP, the funds supporting the CMHSP, Purchase of State Services Contracts are reduced by \$1,725,500 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment is related to the reduction in authorizations for state psychiatric hospitals and centers for persons with developmental disabilities.

## FY 2001-02 SUPPLEMENTAL ACTIONS

### **EXECUTIVE ORDER 2001-9**

The Executive Order reduces the FY 2001-02 Multicultural Services line item appropriation by \$396,200 Gross and GF/GP and the FY 2001-02 Pilot Projects in Prevention for Adults and Children line item appropriation by \$800,000 Gross and GF/GP.

### **PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 530 increases the FY 2001-02 Medicaid Mental Health Services line item appropriation by \$15,731,500 Gross and \$6,866,800 GF/GP to recognize the caseload increase in Medicaid eligibles for mental health and substance abuse services.

|  | FY 2001-02           | FY 2002-03             |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
|  | COMM. HEALTH         | EXECUTIVE            | SENATE               | HOUSE                | ENROLLED             | Secs. 412, 447,      | Contingent             |                      |
| FY 2002-03   | YEAR-TO-DATE         | RECOMMEND.           | RECOMMEND.           | RECOMMEND.           | BILL                 | 448, and 449         | Appropriations         | FY 2002-03           |
| P.A. 519 of 2002 (S.B. 1101)   | 7-Feb-02             | 7-Feb-02             | 20-Mar-02            | 23-May-02            | 27-Jun-02            | VETOES               | (Sec. 263, 1645, 1714) | ENACTED              |
| DEPARTMENT OF COMMUNITY HEALTH   |                      |                      |                      |                      |                      |                      |                        |                      |
| <b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b> |                      |                      |                      |                      |                      |                      |                        |                      |
| Full-time equated classified positions                                     | 4.0                  | 2.0                  | 2.0                  | 2.0                  | 2.0                  | 0.0                  | 0.0                    | 2.0                  |
| Medicaid mental health services  | 1,196,433,900        | 1,340,850,700        | 1,355,134,200        | 1,355,134,400        | 1,521,686,200        | (188,027,600)        | 0                      | 1,333,658,600        |
| Community mental health non-Medicaid services                              | 313,823,200          | 258,930,200          | 274,813,700          | 274,914,800          | 276,930,200          | 0                    | 0                      | 276,930,200          |
| Multicultural services   | 3,451,800            | 3,163,800            | 3,560,000            | 3,848,000            | 5,663,800            | (2,500,000)          | 0                      | 3,163,800            |
| Medicaid substance abuse services  | 24,851,700           | 26,127,500           | 27,433,900           | 27,434,000           | 26,127,500           | 0                    | 0                      | 26,127,500           |
| Respite services   | 3,318,600            | 3,318,600            | 3,318,600            | 3,318,600            | 3,318,600            | 0                    | 0                      | 3,318,600            |
| CMHSP, purchase of state services contracts                                | 170,157,400          | 165,813,900          | 165,813,900          | 165,813,900          | 174,651,000          | (8,837,100)          | 0                      | 165,813,900          |
| Adolescents mental health services   | 0                    | 0                    | 0                    | 500,000              | 0                    | 0                    | 0                      | 0                    |
| Civil service charges  | 2,606,400            | 2,606,400            | 2,606,400            | 2,606,400            | 2,606,400            | 0                    | 0                      | 2,606,400            |
| Federal mental health block grant--* FTE positions                         | 11,546,700           | 15,317,400           | 15,317,400           | 15,317,400           | 15,317,400           | 0                    | 0                      | 15,317,400           |
| * positions in above line  | 2.0                  | 2.0                  | 2.0                  | 2.0                  | 2.0                  | 0.0                  | 0.0                    | 2.0                  |
| Pilot projects in prevention for adults and children--* FT                 | 196,300              | 0                    | 0                    | 80,000               | 0                    | 0                    | 0                      | 0                    |
| * positions in above line  | 2.0                  | 0.0                  | 0.0                  | 0.0                  | 0.0                  | 0.0                  | 0.0                    | 0.0                  |
| State disability assistance program substance abuse se                     | 6,600,000            | 6,600,000            | 6,600,000            | 6,600,000            | 6,600,000            | (1,146,400)          | 0                      | 5,453,600            |
| Community substance abuse prevention, education and                        | 83,740,400           | 79,740,400           | 87,777,400           | 87,877,500           | 79,740,400           | (3,405,000)          | 0                      | 76,335,400           |
| <b>GROSS APPROPRIATION</b>   | <b>1,816,726,400</b> | <b>1,902,468,900</b> | <b>1,942,375,500</b> | <b>1,943,445,000</b> | <b>2,112,641,500</b> | <b>(203,916,100)</b> | <b>0</b>               | <b>1,908,725,400</b> |
| Appropriated from:   |                      |                      |                      |                      |                      |                      |                        |                      |
| Federal revenues:  |                      |                      |                      |                      |                      |                      |                        |                      |
| Total federal revenues   | 763,469,800          | 841,357,000          | 849,996,900          | 849,997,400          | 951,551,600          | (62,389,600)         | 0                      | 889,162,000          |
| Special revenue funds:   |                      |                      |                      |                      |                      |                      |                        |                      |
| Total other state restricted revenues                                      | 6,342,400            | 6,042,400            | 6,042,400            | 6,042,400            | 134,542,400          | (128,500,000)        | 0                      | 6,042,400            |
| State general fund/general purpose   | 1,046,914,200        | 1,055,069,500        | 1,086,336,200        | 1,087,405,200        | 1,026,547,500        | (13,026,500)         | 0                      | 1,013,521,000        |
|  |                      |                      |                      |                      |                      |                      |                        |                      |
|  |                      |                      |                      |                      |                      |                      |                        |                      |
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|  |                      |                      |                      |                      |                      |                      |                        |                      |



**STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

Funds for state psychiatric hospitals and centers for persons with developmental disabilities are reduced by \$398,500 Gross and \$0 GF/GP for the final sick leave payout associated with the 1997 early retirement plan. Funds and FTEs totaling \$382,000 Gross, \$0 GF/GP, and 4.0, respectively, are transferred from state psychiatric hospitals and centers for persons with developmental disabilities to the new Information Technology appropriation unit for information technology projects. An economic increase of 2% (\$2,810,300 Gross, \$2,100,900 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP) is included in the budget for salaries and wages of employees at state psychiatric hospitals and centers for persons with developmental disabilities.

An economic increase of \$59,600 Gross, \$71,300 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP is included in the budget for state psychiatric hospitals and centers for persons with developmental disabilities employees' defined benefit retirement costs. An economic increase of \$453,000 Gross, \$326,600 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP is included in the budget for state psychiatric hospitals and centers for persons with developmental disabilities employees' defined contribution retirement costs. An economic increase of \$335,600 Gross, \$256,800 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP is included in the budget for food and fuel and utilities costs at state psychiatric hospitals and centers for persons with developmental disabilities.

The FY 2001-02 lump sum payment of \$375 for employees (\$1,132,100 Gross, \$841,000 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP) is removed from the line item appropriations for state psychiatric hospitals and centers for persons with developmental disabilities. The net of the lump sum reduction (\$1,400 Gross, \$1,400 CMHSP, Purchase of State Services Contracts, and \$0 GF/GP) is transferred from the line item appropriations for state psychiatric hospitals and centers for persons with developmental disabilities to the Department of Information Technology. Funds and FTEs authorized to Caro Psychiatric Hospital are reduced by \$379,700 Gross, \$379,700 CMHSP, Purchase of State Services Contracts, \$0 GF/GP, and 6.0, respectively, to recognize CMHSPs FY 1997-98 through FY 1999-2000 earned patient days.

The funds and FTEs authorized to state psychiatric hospitals and centers for persons with developmental disabilities are reduced by \$8,004,600 Gross, \$8,004,600 CMHSP, Purchase of State Services Contracts, \$0 GF/GP, and 103.0, respectively, to recognize CMHSPs FY 2000-01 earned patient days. To correct FY 2001-02 economics for state psychiatric hospitals and centers for persons with developmental disabilities, GF/GP funding of \$10,800 is shifted to CMHSPs, Purchase of State Services Contracts. The budget recognizes a pharmacy cost increase of 15% (\$2,061,900

Gross, \$1,524,300 CMHSP, Purchase of State Services Contracts, and \$99,800 GF/GP) for state psychiatric hospitals and centers for persons with developmental disabilities.

The FY 2001-02 authorizations for state psychiatric hospitals and centers for persons with developmental disabilities are rebased and Kent County CMHSP earned patient days at Mt. Pleasant Center in FY 1997-98 are corrected resulting in the following budgetary changes: a reduction of 56.0 FTEs, an increase of \$2,088,700 in Gross appropriations, a reduction of \$6,094,900 in federal revenue, a reduction of \$708,700 in state restricted revenue, an increase of \$8,893,200 in CMHSP, Purchase of State Services Contracts dollars, and a reduction of \$900 in GF/GP dollars. Included in the budget is a reduction of \$536,400 in the federal Medicaid revenue supporting state psychiatric hospitals and centers for persons with developmental disabilities, with a corresponding increase in CMHSP, Purchase of State Services Contracts, due to a change in the federal Medicaid match rate from 56.36% to 55.42%.

**VETO – The Governor vetoed Section 447 boilerplate language that resulted in a reduction of \$8,837,100 in the Gross appropriations and CMHSP, Purchase of State Services Contracts dollars for state psychiatric hospitals and centers for persons with developmental disabilities.**

Funds for the Forensic Center are reduced by \$36,900 Gross and GF/GP for the final sick leave payout associated with the 1997 early retirement plan. Funds totaling \$37,900 Gross and GF/GP are transferred from the Forensic Center line item appropriation to the new Information Technology appropriation unit for information technology projects. A 2.0% economic increase of \$508,200 Gross and \$479,600 GF/GP is included in the budget for employees' salaries and wages at the Forensic Center. A reduction of \$84,700 Gross and \$80,000 GF/GP is included in the budget for employees' defined benefit retirement costs at the Forensic Center.

An economic increase of \$28,600 Gross and \$27,000 GF/GP is included in the budget for employees' defined contribution retirement costs at the Forensic Center. An economic increase of \$124,500 Gross and \$117,500 GF/GP is included in the budget for employees who are in a different retirement system at the Forensic Center. An economic increase of \$61,600 Gross and \$58,200 GF/GP is included in the budget for food and fuel and utilities costs at the Forensic Center. The FY 2001-02 lump sum payment of \$375 for employees (\$195,700 Gross and \$184,700 GF/GP) is removed from the Forensic Center line item appropriation. Funding for the Forensic Center is increased by \$459,200 Gross and \$431,900 GF/GP for a 15% pharmacy cost increase.

Funds for the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation are reduced by \$34,200 Gross and \$0 GF/GP for the final sick leave payout associated with the 1997 early retirement plan.

Funds totaling \$142,700 Gross and \$0 GF/GP are transferred from the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation to the new Information Technology appropriation unit for information technology projects. An economic increase of 2% (\$768,900 Gross and \$0 GF/GP) is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation for employees' salaries and wages. An economic increase of \$7,800 Gross and \$0 GF/GP is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation for employees' defined benefit retirement costs. An economic increase of \$18,600 Gross and \$0 GF/GP is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation for employees' defined contribution retirement costs.

An economic increase of \$81,600 Gross and \$0 GF/GP is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation for the Department of Corrections employees' retirement costs. An economic increase of \$71,900 Gross and \$0 GF/GP is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation for food and fuel and utilities costs. The FY 2001-02 lump sum payment of \$375 for employees (\$277,900 Gross and \$0 GF/GP) is removed from the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation. The funds and FTEs for the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation are reduced by \$6,135,800 Gross, \$0 GF/GP, and 71.0, respectively, to adjust for the Executive Order 2001-9.

The FTEs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation are reduced by 126.0 to reflect the number of fully funded positions. The FY 2001-02 pharmacy cost adjustment of \$985,000 Gross and \$0 GF/GP is removed from the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation. An additional \$919,500 Gross and \$0 GF/GP is included in the Forensic Mental Health Services Provided to the Department of Corrections line item appropriation to recognize a 15% pharmacy cost increase.

The budget includes no appropriation changes to the Revenue Recapture line item.

The budget includes no appropriation changes to the IDEA, Federal Special Education line item.

Additional lease/rental revenue of \$68,800 that was earned at Caro Psychiatric Hospital and the Forensic Center is included in the Special Maintenance and Equipment line item appropriation.

The budget includes no appropriation changes to the Purchase of Medical Services for Residents of Hospitals and Centers line item.

An economic increase of 2% (\$13,400 Gross and GF/GP) is included in the Closed Site, Transition, and Related Costs line item appropriation for employees' salaries and wages. An economic increase of \$100 Gross and GF/GP is included in the Closed Site, Transition, and Related Costs line item appropriation for employees' defined benefit retirement costs. An economic increase of \$2,400 Gross and GF/GP is included in the Closed Site, Transition, and Related Costs line item appropriation for employees' defined contribution retirement costs. An economic increase of \$8,500 Gross and GF/GP is included in the Closed Site, Transition, and Related Costs line item appropriation for fuel and utilities costs. The FY 2001-02 lump sum payment of \$375 for employees (\$2,300 Gross and GF/GP) is removed from the Closed Site, Transition, and Related Costs line item appropriation. The funds and FTEs supporting the Closed Site, Transition, and Related Costs line item appropriation are increased by \$479,100 Gross and GF/GP and 5.0 FTE positions, respectively. The increase is financed by a reduction to severance pay.

The Severance Pay line item appropriation is reduced by \$479,100 Gross and GF/GP to finance increased funding for the Closed Site, Transition, and Related Costs line item appropriation.

The private revenue supporting Gifts and Bequests for Patient Living and Treatment Environment is reduced by \$1,500,000 to eliminate overstated authorization for this line item appropriation.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings totaling \$5,393,700 GF/GP, the CMHSP, Purchase of State Services Contract funds supporting state psychiatric hospitals and centers for persons with developmental disabilities are reduced by \$1,725,500 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment is related to the reduction in funds supporting CMHSP, Purchase of State Services Contract line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.

Furthermore, the GF/GP funds supporting the Forensic Center are reduced by \$331,800 in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees.

|   | FY 2001-02   | FY 2002-03             | FY 2002-03  |
|---|--------------|-------------|-------------|-------------|-------------|-------------|------------------------|-------------|
|   | COMM. HEALTH | EXECUTIVE   | SENATE      | HOUSE       | ENROLLED    | FY 2002-03  | Contingent             | FY 2002-03  |
| P.A. 519 of 2002 (S.B. 1101)  | YEAR-TO-DATE | RECOMMEND.  | RECOMMEND.  | RECOMMEND.  | BILL        | VETOES      | Appropriations         | ENACTED     |
| DEPARTMENT OF COMMUNITY HEALTH  | 7-Feb-02     | 7-Feb-02    | 20-Mar-02   | 23-May-02   | 27-Jun-02   | 25-Jul-02   | (Sec. 263, 1645, 1714) | 25-Jul-02   |
| <b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES</b> |              |             |             |             |             |             |                        |             |
| Total average population  | 1,508.0      | 1,438.0     | 1,438.0     | 1,438.0     | 1,438.0     | 1,438.0     | 0.0                    | 1,438.0     |
| Full-time equated classified positions  | 4,650.0      | 4,289.0     | 4,289.0     | 4,289.0     | 4,289.0     | 4,289.0     | 0.0                    | 4,289.0     |
| Caro regional mental health center-psychiatric hospital-  | 34,687,500   | 39,828,900  | 39,828,900  | 39,828,900  | 39,828,900  | 39,828,900  | (1,581,600)            | 0           |
| * positions in above line   | 479.0        | 498.0       | 498.0       | 498.0       | 498.0       | 498.0       | 0.0                    | 38,247,300  |
| Average population  | 180.0        | 184.0       | 184.0       | 184.0       | 184.0       | 184.0       | 0.0                    | 498.0       |
| Kalamazoo psychiatric hospital-adult--* FTE positions   | 29,262,400   | 29,559,400  | 29,559,400  | 29,559,400  | 29,559,400  | 29,559,400  | (1,106,800)            | 0           |
| * positions in above line   | 397.0        | 402.0       | 402.0       | 402.0       | 402.0       | 402.0       | 0.0                    | 28,452,600  |
| Average population  | 140.0        | 136.0       | 136.0       | 136.0       | 136.0       | 136.0       | 0.0                    | 402.0       |
| Northville psychiatric hospital-adult--* FTE positions  | 62,715,300   | 65,451,800  | 65,451,800  | 65,451,800  | 65,451,800  | 65,451,800  | (3,220,800)            | 0           |
| * positions in above line   | 833.0        | 844.0       | 844.0       | 844.0       | 844.0       | 844.0       | 0.0                    | 62,231,000  |
| Average population  | 370.0        | 377.0       | 377.0       | 377.0       | 377.0       | 377.0       | 0.0                    | 844.0       |
| Walter P. Reuther psychiatric hospital-adult--* FTE positions   | 34,928,800   | 35,332,500  | 35,332,500  | 35,332,500  | 35,332,500  | 35,332,500  | (1,490,000)            | 0           |
| * positions in above line   | 456.0        | 440.0       | 440.0       | 440.0       | 440.0       | 440.0       | 0.0                    | 33,842,500  |
| Average population  | 230.0        | 232.0       | 232.0       | 232.0       | 232.0       | 232.0       | 0.0                    | 440.0       |
| Hawthorn center-psychiatric hospital-children and adolescents   | 23,751,800   | 24,627,200  | 24,627,200  | 24,627,200  | 24,627,200  | 24,627,200  | (711,100)              | 0           |
| * positions in above line   | 328.0        | 333.0       | 333.0       | 333.0       | 333.0       | 333.0       | 0.0                    | 23,916,100  |
| Average population  | 118.0        | 118.0       | 118.0       | 118.0       | 118.0       | 118.0       | 0.0                    | 333.0       |
| Mount Pleasant center-developmental disabilities--* FTE positions   | 34,196,200   | 36,883,300  | 36,883,300  | 36,883,300  | 36,883,300  | 36,883,300  | (726,800)              | 0           |
| * positions in above line   | 490.0        | 498.0       | 498.0       | 498.0       | 498.0       | 498.0       | 0.0                    | 36,156,500  |
| Average population  | 200.0        | 181.0       | 181.0       | 181.0       | 181.0       | 181.0       | 0.0                    | 498.0       |
| Southgate center-developmental disabilities--* FTE positions  | 14,630,300   | 0           | 0           | 0           | 0           | 0           | 0.0                    | 181.0       |
| * positions in above line   | 201.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0                    | 0           |
| Average population  | 60.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0                    | 0.0         |
| Center for forensic psychiatry--* FTE positions   | 41,008,600   | 41,835,500  | 41,835,500  | 41,835,500  | 41,835,500  | 41,835,500  | 0                      | 0           |
| * positions in above line   | 522.0        | 522.0       | 522.0       | 522.0       | 522.0       | 522.0       | 0.0                    | 41,835,500  |
| Average population  | 210.0        | 210.0       | 210.0       | 210.0       | 210.0       | 210.0       | 0.0                    | 522.0       |
| Forensic mental health services provided to the department  | 73,796,000   | 68,088,700  | 68,088,700  | 68,088,700  | 68,088,700  | 68,088,700  | 0                      | 0           |
| * positions in above line   | 938.0        | 741.0       | 741.0       | 741.0       | 741.0       | 741.0       | 0.0                    | 68,088,700  |
| Revenue recapture   | 750,000      | 750,000     | 750,000     | 750,000     | 750,000     | 750,000     | 0                      | 0           |
| IDEA, federal special education   | 120,000      | 120,000     | 120,000     | 120,000     | 120,000     | 120,000     | 0                      | 750,000     |
| Special maintenance and equipment   | 879,000      | 947,800     | 947,800     | 947,800     | 947,800     | 947,800     | 0                      | 0           |
| Purchase of medical services for residents of hospitals   | 1,358,200    | 1,358,200   | 1,358,200   | 1,358,200   | 1,358,200   | 1,358,200   | 0                      | 120,000     |
| Closed site, transition, and related costs--* FTE positions   | 565,700      | 1,066,900   | 1,066,900   | 1,066,900   | 1,066,900   | 1,066,900   | 0                      | 0           |
| * positions in above line   | 6.0          | 11.0        | 11.0        | 11.0        | 11.0        | 11.0        | 0.0                    | 1,358,200   |
| Severance pay   | 696,000      | 216,900     | 216,900     | 216,900     | 216,900     | 216,900     | 0                      | 0           |
| Gifts and bequests for patient living and treatment environment   | 2,000,000    | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 0                      | 11.0        |
| GROSS APPROPRIATION   | 355,345,800  | 346,567,100 | 346,567,100 | 346,567,100 | 346,567,100 | 346,567,100 | (8,837,100)            | 0           |
| Appropriated from:  |              |             |             |             |             |             |                        | 337,730,000 |
| Interdepartmental grant revenues:   |              |             |             |             |             |             |                        |             |
| Interdepartmental grant from the department of corrections  | 73,796,000   | 68,088,700  | 68,088,700  | 68,088,700  | 68,088,700  | 68,088,700  | 0                      | 68,088,700  |
| Federal revenues:   |              |             |             |             |             |             |                        |             |
| Total federal revenues  | 39,252,000   | 33,145,700  | 33,145,700  | 33,145,700  | 33,145,700  | 33,145,700  | 0                      | 0           |
| Special revenue funds:  |              |             |             |             |             |             |                        |             |
| CMHSP, purchase of state services contracts   | 170,157,400  | 165,813,900 | 165,813,900 | 165,813,900 | 174,651,000 | 174,651,000 | (8,837,100)            | 0           |
| Other local revenues  | 17,171,100   | 25,958,300  | 25,958,300  | 25,958,300  | 17,121,200  | 17,121,200  | 0                      | 165,813,900 |
| Total private revenues  | 2,000,000    | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 0                      | 17,121,200  |
| Total other state restricted revenues   | 11,189,700   | 10,396,000  | 10,396,000  | 10,396,000  | 10,396,000  | 10,396,000  | 0                      | 500,000     |
| State general fund/general purpose  | 41,779,600   | 42,664,500  | 42,664,500  | 42,664,500  | 42,664,500  | 42,664,500  | 0                      | 10,396,000  |

|  | FY 2002-03         | FY 2002-03           | FY 2002-03         |
|--|--------------------|----------------------|--------------------|
|  |                    | Transfers to         | FY 2002-03         |
|  |                    | Execute PA 519       | YTD                |
| FY 2002-03   | FY 2002-03         | Budg Svgs, Early Ret | Appropriations     |
| P.A. 519 of 2002 (S.B. 1101)   | ENACTED            | 12-Dec-02            | 30-Dec-02          |
| DEPARTMENT OF COMMUNITY HEALTH   | 25-Jul-02          |                      |                    |
| <b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISAB</b> |                    |                      |                    |
| Total average population   | 1,438.0            | 0.0                  | 1,438.0            |
| Full-time equated classified positions   | 4,289.0            | 0.0                  | 4,289.0            |
| Caro regional mental health center-psychiatric hospital-                                   | 38,247,300         | (363,500)            | 37,883,800         |
| * positions in above line  | 498.0              | 0.0                  | 498.0              |
| Average population   | 184.0              | 0.0                  | 184.0              |
| Kalamazoo psychiatric hospital-adult--* FTE positions                                      | 28,452,600         | (283,500)            | 28,169,100         |
| * positions in above line  | 402.0              | 0.0                  | 402.0              |
| Average population   | 136.0              | 0.0                  | 136.0              |
| Northville psychiatric hospital-adult--* FTE positions                                     | 62,231,000         | (118,600)            | 62,112,400         |
| * positions in above line  | 844.0              | 0.0                  | 844.0              |
| Average population   | 377.0              | 0.0                  | 377.0              |
| Walter P. Reuther psychiatric hospital-adult--* FTE posi                                   | 33,842,500         | (415,300)            | 33,427,200         |
| * positions in above line  | 440.0              | 0.0                  | 440.0              |
| Average population   | 232.0              | 0.0                  | 232.0              |
| Hawthorn center-psychiatric hospital-children and adole                                    | 23,916,100         | (212,500)            | 23,703,600         |
| * positions in above line  | 333.0              | 0.0                  | 333.0              |
| Average population   | 118.0              | 0.0                  | 118.0              |
| Mount Pleasant center-developmental disabilities--* FT                                     | 36,156,500         | (332,100)            | 35,824,400         |
| * positions in above line  | 498.0              | 0.0                  | 498.0              |
| Average population   | 181.0              | 0.0                  | 181.0              |
| Southgate center-developmental disabilities--* FTE pos                                     | 0                  | 0                    | 0                  |
| * positions in above line  | 0.0                | 0.0                  | 0.0                |
| Average population   | 0.0                | 0.0                  | 0.0                |
| Center for forensic psychiatry--* FTE positions  | 41,835,500         | (331,800)            | 41,503,700         |
| * positions in above line  | 522.0              | 0.0                  | 522.0              |
| Average population   | 210.0              | 0.0                  | 210.0              |
| Forensic mental health services provided to the departm                                    | 68,088,700         | 0                    | 68,088,700         |
| * positions in above line  | 741.0              | 0.0                  | 741.0              |
| Revenue recapture  | 750,000            | 0                    | 750,000            |
| IDEA, federal special education  | 120,000            | 0                    | 120,000            |
| Special maintenance and equipment  | 947,800            | 0                    | 947,800            |
| Purchase of medical services for residents of hospitals                                    | 1,358,200          | 0                    | 1,358,200          |
| Closed site, transition, and related costs--* FTE positio                                  | 1,066,900          | 0                    | 1,066,900          |
| * positions in above line  | 11.0               | 0.0                  | 11.0               |
| Severance pay  | 216,900            | 0                    | 216,900            |
| Gifts and bequests for patient living and treatment envir                                  | 500,000            | 0                    | 500,000            |
| <b>GROSS APPROPRIATION</b>   | <b>337,730,000</b> | <b>(2,057,300)</b>   | <b>335,672,700</b> |
| Appropriated from:   |                    |                      |                    |
| Interdepartmental grant revenues:  |                    |                      |                    |
| Interdepartmental grant from the department of correcti                                    | 68,088,700         | 0                    | 68,088,700         |
| Federal revenues:  |                    |                      |                    |
| Total federal revenues   | 33,145,700         | 0                    | 33,145,700         |
| Special revenue funds:   |                    |                      |                    |
| CMHSP, purchase of state services contracts  | 165,813,900        | (1,725,500)          | 164,088,400        |
| Other local revenues   | 17,121,200         | 0                    | 17,121,200         |
| Total private revenues   | 500,000            | 0                    | 500,000            |
| Total other state restricted revenues  | 10,396,000         | 0                    | 10,396,000         |
| State general fund/general purpose   | 42,664,500         | (331,800)            | 42,332,700         |

# **PUBLIC HEALTH**

|  | FY 2001-02   | FY 2002-03  | FY 2002-03  | FY 2002-03  | FY 2002-03  |             | FY 2002-03             |             |
|--|--------------|-------------|-------------|-------------|-------------|-------------|------------------------|-------------|
| FY 2002-03   | COMM. HEALTH | EXECUTIVE   | SENATE      | HOUSE       | ENROLLED    | FY 2002-03  | Contingent             |             |
| P.A. 519 of 2002 (S.B. 1101)                                   | YEAR-TO-DATE | RECOMMEND.  | RECOMMEND.  | RECOMMEND.  | BILL        | VETOES      | Appropriations         | FY 2002-03  |
| DEPARTMENT OF COMMUNITY HEALTH                                 | 7-Feb-02     | 7-Feb-02    | 20-Mar-02   | 23-May-02   | 27-Jun-02   | 25-Jul-02   | (Sec. 263, 1645, 1714) | ENACTED     |
|  |              |             |             |             |             |             | 25-Jul-02              | 25-Jul-02   |
| <b>PUBLIC HEALTH APPROPRIATION SUMMARY:</b>                    |              |             |             |             |             |             |                        |             |
| Full-time equated classified positions                         | 449.8        | 463.0       | 463.0       | 463.0       | 463.0       | 0.0         | 0.0                    | 463.0       |
| GROSS APPROPRIATION  | 443,548,600  | 454,893,400 | 467,997,500 | 482,891,800 | 442,622,800 | (4,884,200) | 12,020,700             | 449,759,300 |
| Interdepartmental grant revenues:                              |              |             |             |             |             |             |                        |             |
| Total interdepartmental grants and intradepartmental transfers | 610,700      | 839,900     | 839,900     | 839,900     | 839,900     | 0           | 0                      | 839,900     |
| ADJUSTED GROSS APPROPRIATION                                   | 442,937,900  | 454,053,500 | 467,157,600 | 482,051,900 | 441,782,900 | (4,884,200) | 12,020,700             | 448,919,400 |
| Federal revenues:  |              |             |             |             |             |             |                        |             |
| Total federal revenues   | 252,448,200  | 270,002,300 | 271,371,800 | 271,368,300 | 269,998,500 | (3,400,000) | 0                      | 266,598,500 |
| Special revenue funds:   |              |             |             |             |             |             |                        |             |
| Total local revenues   | 0            | 0           | 0           | 0           | 0           | 0           | 0                      | 0           |
| Total private revenues   | 48,962,000   | 49,984,000  | 49,984,000  | 49,984,000  | 49,984,000  | 0           | 0                      | 49,984,000  |
| Total local and private revenues                               | 48,962,000   | 49,984,000  | 49,984,000  | 49,984,000  | 49,984,000  | 0           | 0                      | 49,984,000  |
| Total other state restricted revenues                          | 40,430,700   | 44,505,600  | 45,005,600  | 45,009,400  | 29,643,500  | (1,434,100) | 0                      | 28,209,400  |
| State general fund/general purpose                             | 101,097,000  | 89,561,600  | 100,796,200 | 115,690,200 | 92,156,900  | (50,100)    | 12,020,700             | 104,127,500 |

|  |                    | FY 2002-03         | FY 2002-03         | FY 2002-03           | FY 2002-03       | FY 2002-03         |
|--|--------------------|--------------------|--------------------|----------------------|------------------|--------------------|
|  |                    | Executive          | Transfers to       | Transfers to         | Supplemental     | FY 2002-03         |
| FY 2002-03   | FY 2002-03         | Order              | Execute EO 2002-22 | Execute PA 519       | Appropriations   | YTD                |
| P.A. 519 of 2002 (S.B. 1101)                             | ENACTED            | 2002-22            | Budgetary Savings  | Budg Svgs, Early Ret | PA 746 of 2002   | Appropriations     |
| DEPARTMENT OF COMMUNITY HEALTH                           | 25-Jul-02          | 5-Dec-02           | 12-Dec-02          | 12-Dec-02            | 30-Dec-02        | 30-Dec-02          |
| <b>PUBLIC HEALTH APPROPRIATION SUMMARY:</b>              |                    |                    |                    |                      |                  |                    |
| Full-time equated classified positions                   | 463.0              | 0.0                | 0.0                | 0.0                  | 0.0              | 463.0              |
| <b>GROSS APPROPRIATION</b>                               | <b>449,759,300</b> | <b>(2,985,100)</b> | <b>(7,628,900)</b> | <b>(4,512,700)</b>   | <b>2,985,100</b> | <b>437,617,700</b> |
| Interdepartmental grant revenues:                        |                    |                    |                    |                      |                  |                    |
| Total interdepartmental grants and intradepartmental tra | 839,900            | 0                  | 0                  | 0                    | 0                | 839,900            |
| <b>ADJUSTED GROSS APPROPRIATION</b>                      | <b>448,919,400</b> | <b>(2,985,100)</b> | <b>(7,628,900)</b> | <b>(4,512,700)</b>   | <b>2,985,100</b> | <b>436,777,800</b> |
| Federal revenues:  |                    |                    |                    |                      |                  |                    |
| Total federal revenues                                   | 266,598,500        | 0                  | 0                  | 0                    | 2,985,100        | 269,583,600        |
| Special revenue funds:                                   |                    |                    |                    |                      |                  |                    |
| Total local revenues                                     | 0                  | 0                  | 0                  | 0                    | 0                | 0                  |
| Total private revenues                                   | 49,984,000         | 0                  | 0                  | 0                    | 0                | 49,984,000         |
| Total local and private revenues                         | 49,984,000         | 0                  | 0                  | 0                    | 0                | 49,984,000         |
| Total other state restricted revenues                    | 28,209,400         | 0                  | (558,400)          | (100,000)            | 0                | 27,551,000         |
| State general fund/general purpose                       | 104,127,500        | (2,985,100)        | (7,070,500)        | (4,412,700)          | 0                | 89,659,200         |

## **PUBLIC HEALTH ADMINISTRATION**

The Executive Administration line item receives employee-related economic increases of \$13,500 Gross (\$11,200 GF/GP) for a 2% salary and wage adjustment, and \$3,600 Gross (\$3,000 GF/GP) for defined benefit retirement costs. A reduction of 2.0 FTEs and \$116,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$4,600 Gross (\$3,800 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$4,400 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$3,000 Gross (all GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$150,000 Gross (all GF/GP) and 1.5 FTEs to reflect the FY 2001-02 budgetary savings obtained from this line item from reorganization by the Department (the FY 2001-02 budgetary savings taken in that fiscal year was \$286,000, approved as a year-end legislative transfer on November 13, 2002).

The Minority Health Grants and Contracts line item is reduced by \$100,000 Gross (all GF/GP), eliminating funding for the Asian-American Women Health Project, which was 1-time funding in FY 2001-02 and previously funded in FY 1999-2000. The line item is reduced by \$339,100 Gross (all GF/GP), however the funds were completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (b) contingency language.

The Vital Records and Health Statistics line item receives employee-related economic increases of \$64,700 Gross (\$25,200 GF/GP) for a 2% salary and wage adjustment, and \$12,300 Gross (\$4,800 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$9,000 Gross (\$3,500 GF/GP). A reduction of 3.0 FTEs and \$174,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$31,100 Gross (\$12,100 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$12,500 Gross (\$11,800 GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$514,000 Gross (\$73,400 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$296,000 Gross (all GF/GP) and 0.5 FTE to reflect the FY 2001-02 budgetary savings obtained from this line item from vacancies due to the hiring freeze (the actual FY 2001-02 budgetary savings taken in that fiscal year was \$260,000, approved as a year-end legislative transfer on November 13, 2002). Federal funds are increased by \$24,000 Gross (\$0 GF/GP) from the cancer registry grant. Overall federal funds authorization is reduced by \$377,900 Gross (\$0 GF/GP) to reflect actual federal grants anticipated to be received in FY 2002-03. A net reduction of \$4,400 is made to the line item (\$0 GF/GP) which includes a reclassification of \$301,200 of federal funds received from the Family Independence Agency (for vital records assistance related to FIA

paternity cases) as interdepartmental grant revenue, and a \$4,400 reduction adjustment of the amount of the revenue. The line item is increased by \$340,000 Gross (\$0 GF/GP) to reflect a projected increase in fee revenue due to the 2001 fee increase and to an anticipated increase in demand for vital records searches and documents.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The Minority Health Grants and Contracts line item is reduced by \$226,100 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained from elimination of GF/GP funding for this line item for the remainder of the fiscal year. The funds have traditionally been used for Native American health education and outreach.

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Executive Administration line item is reduced by \$77,200 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in P. A. 519 of 2002, and approved as a legislative transfer on December 12, 2002.

|   | FY 2001-02       | FY 2002-03       | FY 2002-03       | FY 2002-03       | FY 2002-03       |            | FY 2002-03             |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------|------------------------|------------------|
| FY 2002-03  | COMM. HEALTH     | EXECUTIVE        | SENATE           | HOUSE            | ENROLLED         | FY 2002-03 | Contingent             |                  |
| P.A. 519 of 2002 (S.B. 1101)                          | YEAR-TO-DATE     | RECOMMEND.       | RECOMMEND.       | RECOMMEND.       | BILL             | VETOES     | Appropriations         | FY 2002-03       |
| DEPARTMENT OF COMMUNITY HEALTH                        | 7-Feb-02         | 7-Feb-02         | 20-Mar-02        | 23-May-02        | 27-Jun-02        | 25-Jul-02  | (Sec. 263, 1645, 1714) | ENACTED          |
|   |                  |                  |                  |                  |                  |            | 25-Jul-02              | 25-Jul-02        |
| <b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>         |                  |                  |                  |                  |                  |            |                        |                  |
| Full-time equated classified positions                | 88.3             | 81.3             | 81.3             | 81.3             | 81.3             | 0.0        | 0.0                    | 81.3             |
| Executive administration--* FTE positions             | 1,390,100        | 1,129,200        | 1,129,200        | 1,129,200        | 1,129,200        | 0          | 0                      | 1,129,200        |
| * positions in above line                             | 15.5             | 12.0             | 12.0             | 12.0             | 12.0             | 0.0        | 0.0                    | 12.0             |
| Minority health grants and contracts                  | 1,089,100        | 989,100          | 1,089,100        | 1,184,100        | 650,000          | 0          | 339,100                | 989,100          |
| Vital records and health statistics--* FTE positions  | 6,588,400        | 5,610,500        | 5,610,500        | 5,610,500        | 5,610,500        | 0          | 0                      | 5,610,500        |
| * positions in above line                             | 72.8             | 69.3             | 69.3             | 69.3             | 69.3             | 0.0        | 0.0                    | 69.3             |
| <b>GROSS APPROPRIATION</b>                            | <b>9,067,600</b> | <b>7,728,800</b> | <b>7,828,800</b> | <b>7,923,800</b> | <b>7,389,700</b> | <b>0</b>   | <b>339,100</b>         | <b>7,728,800</b> |
| Appropriated from:                                    |                  |                  |                  |                  |                  |            |                        |                  |
| Interdepartmental grant revenues:                     |                  |                  |                  |                  |                  |            |                        |                  |
| Interdepartmental grant from family independence ager | 138,800          | 447,800          | 447,800          | 447,800          | 447,800          | 0          | 0                      | 447,800          |
| Federal revenues:                                     |                  |                  |                  |                  |                  |            |                        |                  |
| Total federal revenues                                | 2,835,200        | 2,045,100        | 2,045,100        | 2,045,100        | 2,045,100        | 0          | 0                      | 2,045,100        |
| Special revenue funds:                                |                  |                  |                  |                  |                  |            |                        |                  |
| Total other state restricted revenues                 | 2,386,100        | 2,432,200        | 2,432,200        | 2,432,200        | 2,432,200        | 0          | 0                      | 2,432,200        |
| State general fund/general purpose                    | 3,707,500        | 2,803,700        | 2,903,700        | 2,998,700        | 2,464,600        | 0          | 339,100                | 2,803,700        |

|   |                  | FY 2002-03         | FY 2002-03           |                  |
|---|------------------|--------------------|----------------------|------------------|
|   |                  | Transfers to       | Transfers to         | FY 2002-03       |
| FY 2002-03  | FY 2002-03       | Execute EO 2002-22 | Execute PA 519       | YTD              |
| P.A. 519 of 2002 (S.B. 1101)                          | ENACTED          | Budgetary Savings  | Budg Svgs, Early Ret | Appropriations   |
| DEPARTMENT OF COMMUNITY HEALTH                        | 25-Jul-02        | 12-Dec-02          | 12-Dec-02            | 30-Dec-02        |
| <b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>         |                  |                    |                      |                  |
| Full-time equated classified positions                | 81.3             | 0.0                | 0.0                  | 81.3             |
| Executive administration--* FTE positions             | 1,129,200        | 0                  | (77,200)             | 1,052,000        |
| * positions in above line                             | 12.0             | 0.0                | 0.0                  | 12.0             |
| Minority health grants and contracts                  | 989,100          | (226,100)          | 0                    | 763,000          |
| Vital records and health statistics--* FTE positions  | 5,610,500        | 0                  | 0                    | 5,610,500        |
| * positions in above line                             | 69.3             | 0.0                | 0.0                  | 69.3             |
| <b>GROSS APPROPRIATION</b>                            | <b>7,728,800</b> | <b>(226,100)</b>   | <b>(77,200)</b>      | <b>7,425,500</b> |
| Appropriated from:                                    |                  |                    |                      |                  |
| Interdepartmental grant revenues:                     |                  |                    |                      |                  |
| Interdepartmental grant from family independence ager | 447,800          | 0                  | 0                    | 447,800          |
| Federal revenues:                                     |                  |                    |                      |                  |
| Total federal revenues                                | 2,045,100        | 0                  | 0                    | 2,045,100        |
| Special revenue funds:                                |                  |                    |                      |                  |
| Total other state restricted revenues                 | 2,432,200        | 0                  | 0                    | 2,432,200        |
| State general fund/general purpose                    | 2,803,700        | (226,100)          | (77,200)             | 2,500,400        |

## **INFECTIOUS DISEASE CONTROL**

The AIDS Prevention, Testing, and Care Programs line item receives employee-related economic increases of \$13,800 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$2,600 Gross (\$0 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$400 Gross (\$0 GF/GP). The line item is reduced by \$3,700 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$20,000 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is increased by \$1,791,300 Gross (\$0 GF/GP) to reflect an anticipated increase in federal Ryan White Title II grant funds for HIV care. The line item is increased by \$1,103,300 Gross (\$0 GF/GP) in anticipation of the receipt of additional federal HIV prevention program funds. An increase of \$922,000 Gross (\$0 GF/GP) of private funds is made to the line item to reflect an increase in projected funds received from pharmaceutical manufacturers for voluntary rebates on AIDS and HIV medications used by the AIDS Drug Assistance Program (ADAP). A net \$0 Gross (\$0 GF/GP) state restricted fund source adjustment is made, replacing \$1.0 million of Healthy Michigan Funds with Michigan Health Initiative Funds, to be used for the same purpose related to AIDS/HIV risk reduction.

The Immunization Local Agreements line item is increased by \$334,100 Gross (\$0 GF/GP) for the establishment of a Natalia Horak and Matthew Knueppel Meningitis Prevention Initiative Fund, with state restricted Healthy Michigan Funds. An additional \$165,900 (all GF/GP) is provided for the meningitis initiative with the passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (h) contingency language. A net \$0 Gross (\$200,000 GF/GP) fund source adjustment is made, replacing \$200,000 of Healthy Michigan Funds with GF/GP funds, to be used for the same purpose related to immunization local agreements.

**VETO – The Governor vetoed Section 805 boilerplate language, and thereby reduces the Immunization Local Agreements line item by \$334,100 Gross (\$0 GF/GP). The funding was to establish the Natalia Horak and Matthew Knueppel Meningitis Prevention Initiative Fund.**

The Immunization Program Management and Field Support line item receives employee-related economic increases of \$16,100 Gross (\$6,000 GF/GP) for a 2% salary and wage adjustment, and \$4,600 Gross (\$1,900 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$1,800 Gross (\$1,000 GF/GP). A reduction of \$7,400 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$2,900 Gross (\$900 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$400 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program.

Funds totaling \$5,400 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item.

The Sexually Transmitted Disease Control Local Agreements line item is increased by \$645,000 Gross (\$0 GF/GP) to reflect an anticipated increase in the federal sexually transmitted disease control grant.

The Sexually Transmitted Disease Control Management and Field Support line item receives employee-related economic increases of \$25,900 Gross (all GF/GP) for a 2% salary and wage adjustment, \$3,300 Gross (all GF/GP) for defined contribution retirement costs, and \$4,200 Gross (all GF/GP) for defined benefit retirement costs. A reduction of \$22,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$10,000 Gross (all GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$10,300 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$7,200 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is increased by \$526,600 Gross (\$0 GF/GP) to reflect an anticipated increase in the federal sexually transmitted disease control grant. A net \$0 Gross (a reduction of \$1,180,000 GF/GP) fund source adjustment is made, replacing \$1.18 million of GF/GP funds with Michigan Health Initiative Funds, for STD projects related to risk reduction.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Immunization Local Agreements line item is reduced by \$165,900 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of funding for a new meningitis prevention initiative.

The Immunization Program Management and Field Support line item is reduced by \$99,900 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002.

The Sexually Transmitted Disease Control Management and Field Support line item is reduced by \$58,600 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002.

### **FY 2001-02 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2001-9**

The November 2001 Executive Order reduces the FY 2001-02 AIDS Prevention, Testing, and Care Programs line item appropriation by \$600,000 Gross (\$0 GF/GP). Local HIV testing in areas of low HIV/AIDS prevalence is reduced by this funding cut. The savings, from state restricted Michigan Health Initiative (MHI) funds, are lapsed to the General Fund.

|   | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03             |            |
|---|--------------|------------|------------|------------|------------|------------|------------------------|------------|
| FY 2002-03  | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   |            | Contingent             |            |
| P.A. 519 of 2002 (S.B. 1101)                          | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | FY 2002-03 | Appropriations         | FY 2002-03 |
| DEPARTMENT OF COMMUNITY HEALTH                        | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | VETOES     | (Sec. 263, 1645, 1714) | ENACTED    |
|   |              |            |            |            |            | 25-Jul-02  | 25-Jul-02              | 25-Jul-02  |
| <b>Sec. 107. INFECTIOUS DISEASE CONTROL</b>           |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions                | 44.3         | 44.3       | 44.3       | 44.3       | 44.3       | 0.0        | 0.0                    | 44.3       |
| AIDS prevention, testing and care programs--* FTE pos | 23,799,400   | 27,608,300 | 27,608,300 | 27,608,300 | 27,608,300 | 0          | 0                      | 27,608,300 |
| * positions in above line                             | 9.8          | 9.8        | 9.8        | 9.8        | 9.8        | 0.0        | 0.0                    | 9.8        |
| Immunization local agreements                         | 13,990,300   | 13,990,300 | 14,490,300 | 14,490,300 | 14,324,400 | (334,100)  | 165,900                | 14,156,200 |
| Immunization program management and field support--   | 1,696,800    | 1,699,600  | 1,699,600  | 1,699,600  | 1,699,600  | 0          | 0                      | 1,699,600  |
| * positions in above line                             | 7.7          | 7.7        | 7.7        | 7.7        | 7.7        | 0.0        | 0.0                    | 7.7        |
| Sexually transmitted disease control local agreements | 2,896,700    | 3,541,700  | 3,541,700  | 3,541,700  | 3,541,700  | 0          | 0                      | 3,541,700  |
| Sexually transmitted disease control management and   | 2,993,000    | 3,503,500  | 3,503,500  | 3,503,500  | 3,503,500  | 0          | 0                      | 3,503,500  |
| * positions in above line                             | 26.8         | 26.8       | 26.8       | 26.8       | 26.8       | 0.0        | 0.0                    | 26.8       |
| GROSS APPROPRIATION                                   | 45,376,200   | 50,343,400 | 50,843,400 | 50,843,400 | 50,677,500 | (334,100)  | 165,900                | 50,509,300 |
| Appropriated from:                                    |              |            |            |            |            |            |                        |            |
| Federal revenues:                                     |              |            |            |            |            |            |                        |            |
| Total federal revenues                                | 32,003,800   | 36,057,700 | 36,057,700 | 36,057,700 | 36,057,700 | 0          | 0                      | 36,057,700 |
| Special revenue funds:                                |              |            |            |            |            |            |                        |            |
| Total private revenues                                | 925,000      | 1,847,000  | 1,847,000  | 1,847,000  | 1,847,000  | 0          | 0                      | 1,847,000  |
| Total other state restricted revenues                 | 6,368,000    | 7,550,000  | 8,050,000  | 8,050,000  | 7,684,100  | (334,100)  | 0                      | 7,350,000  |
| State general fund/general purpose                    | 6,079,400    | 4,888,700  | 4,888,700  | 4,888,700  | 5,088,700  | 0          | 165,900                | 5,254,600  |

|   |                   | FY 2002-03           |                   |
|---|-------------------|----------------------|-------------------|
|   |                   | Transfers to         | FY 2002-03        |
| FY 2002-03  | FY 2002-03        | Execute PA 519       | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                          | ENACTED           | Budg Svgs, Early Ret | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                        | 25-Jul-02         | 12-Dec-02            | 30-Dec-02         |
| <b>Sec. 107. INFECTIOUS DISEASE CONTROL</b>           |                   |                      |                   |
| Full-time equated classified positions                | 44.3              | 0.0                  | 44.3              |
| AIDS prevention, testing and care programs--* FTE pos | 27,608,300        | 0                    | 27,608,300        |
| * positions in above line                             | 9.8               | 0.0                  | 9.8               |
| Immunization local agreements                         | 14,156,200        | (165,900)            | 13,990,300        |
| Immunization program management and field support--   | 1,699,600         | (99,900)             | 1,599,700         |
| * positions in above line                             | 7.7               | 0.0                  | 7.7               |
| Sexually transmitted disease control local agreements | 3,541,700         | 0                    | 3,541,700         |
| Sexually transmitted disease control management and   | 3,503,500         | (58,600)             | 3,444,900         |
| * positions in above line                             | 26.8              | 0.0                  | 26.8              |
| <b>GROSS APPROPRIATION</b>                            | <b>50,509,300</b> | <b>(324,400)</b>     | <b>50,184,900</b> |
| Appropriated from:                                    |                   |                      |                   |
| Federal revenues:                                     |                   |                      |                   |
| Total federal revenues                                | 36,057,700        | 0                    | 36,057,700        |
| Special revenue funds:                                |                   |                      |                   |
| Total private revenues                                | 1,847,000         | 0                    | 1,847,000         |
| Total other state restricted revenues                 | 7,350,000         | 0                    | 7,350,000         |
| State general fund/general purpose                    | 5,254,600         | (324,400)            | 4,930,200         |

## **LABORATORY SERVICES**

The Laboratory Services line item receives employee-related economic increases of \$114,400 Gross (\$74,500 GF/GP) for a 2% salary and wage adjustment, and \$24,200 Gross (\$15,900 GF/GP) for defined contribution retirement costs. The line is reduced by \$9,700 Gross (\$6,500 GF/GP) for defined benefit retirement costs. A reduction of 6.0 FTEs and \$348,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$45,500 Gross (\$29,600 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$8,800 Gross (\$6,400 GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$283,000 Gross (\$12,400 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$100,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings proposed to be obtained from this line item from vacancies due to the hiring freeze (the actual FY 2001-02 budgetary savings taken in that fiscal year did not include any savings from this line item). The line item is reduced by \$95,000 Gross (\$0 GF/GP) to reflect two completed federal grants which will no longer be received: \$20,000 for the Great Lakes Human Health Effects grant which funded laboratory research on human health effects related to consumption of Great Lakes fish containing environmental contaminants, and \$75,000 for the Lyme Disease grant. The federal funds authorization for this line item is reduced by an additional \$55,500 Gross (\$0 GF/GP) to reflect actual federal grants anticipated to be received in FY 2002-03. Federal funding increases are made to the line item totaling \$1,674,500 Gross (\$0 GF/GP) for the following: \$619,400 from the ongoing federal bioterrorism grant for laboratory activities, \$918,100 from the Epidemiology and Laboratory Capacity grant for laboratory activities, \$114,000 from the Tuberculosis Control grant, and \$23,000 from federal immunization funds used to finance 1.0 FTE in laboratory services. Funds totaling \$63,900 Gross (all GF/GP) and 1.0 FTE are transferred to this line item from the Departmental Administration and Management line item, supporting a technician assigned to the Laboratory.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Laboratory Services line item is increased by \$281,200 Gross (all GF/GP) to reflect redirected early retirement savings obtained from the 2002 early retirement program that exceeded the Gross amount identified for the Department in Public Act 519 of 2002. This increase was approved as a legislative transfer on December 12, 2002.

|  | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03             |            |
|--|--------------|------------|------------|------------|------------|------------|------------------------|------------|
|  |              |            |            |            |            |            | Contingent             |            |
| FY 2002-03   | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Appropriations         | FY 2002-03 |
| P.A. 519 of 2002 (S.B. 1101)                       | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | (Sec. 263, 1645, 1714) | ENACTED    |
| DEPARTMENT OF COMMUNITY HEALTH                     | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | 25-Jul-02              | 25-Jul-02  |
| <b>Sec. 108. LABORATORY SERVICES</b>               |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions             | 118.2        | 113.2      | 113.2      | 113.2      | 113.2      | 0.0        | 0.0                    | 113.2      |
| Laboratory services--* FTE positions               | 12,395,200   | 13,326,700 | 13,326,700 | 13,326,700 | 13,326,700 | 0          | 0                      | 13,326,700 |
| * positions in above line                          | 118.2        | 113.2      | 113.2      | 113.2      | 113.2      | 0.0        | 0.0                    | 113.2      |
| GROSS APPROPRIATION                                | 12,395,200   | 13,326,700 | 13,326,700 | 13,326,700 | 13,326,700 | 0          | 0                      | 13,326,700 |
| Appropriated from:                                 |              |            |            |            |            |            |                        |            |
| Interdepartmental grant revenues:                  |              |            |            |            |            |            |                        |            |
| Interdepartmental grant from environmental quality | 391,300      | 392,100    | 392,100    | 392,100    | 392,100    | 0          | 0                      | 392,100    |
| Federal revenues:                                  |              |            |            |            |            |            |                        |            |
| Total federal revenues                             | 1,892,800    | 3,411,100  | 3,411,100  | 3,411,100  | 3,411,100  | 0          | 0                      | 3,411,100  |
| Special revenue funds:                             |              |            |            |            |            |            |                        |            |
| Total other state restricted revenues              | 3,370,300    | 3,131,300  | 3,131,300  | 3,131,300  | 3,131,300  | 0          | 0                      | 3,131,300  |
| State general fund/general purpose                 | 6,740,800    | 6,392,200  | 6,392,200  | 6,392,200  | 6,392,200  | 0          | 0                      | 6,392,200  |

|  |            | FY 2002-03           |                |
|--|------------|----------------------|----------------|
|  |            | Transfers to         | FY 2002-03     |
| FY 2002-03   | FY 2002-03 | Execute PA 519       | YTD            |
| P.A. 519 of 2002 (S.B. 1101)                       | ENACTED    | Budg Svgs, Early Ret | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH                     | 25-Jul-02  | 12-Dec-02            | 30-Dec-02      |
| <b>Sec. 108. LABORATORY SERVICES</b>               |            |                      |                |
| Full-time equated classified positions             | 113.2      | 0.0                  | 113.2          |
| Laboratory services--* FTE positions               | 13,326,700 | 281,200              | 13,607,900     |
| * positions in above line                          | 113.2      | 0.0                  | 113.2          |
| GROSS APPROPRIATION                                | 13,326,700 | 281,200              | 13,607,900     |
| Appropriated from:                                 |            |                      |                |
| Interdepartmental grant revenues:                  |            |                      |                |
| Interdepartmental grant from environmental quality | 392,100    | 0                    | 392,100        |
| Federal revenues:                                  |            |                      |                |
| Total federal revenues                             | 3,411,100  | 0                    | 3,411,100      |
| Special revenue funds:                             |            |                      |                |
| Total other state restricted revenues              | 3,131,300  | 0                    | 3,131,300      |
| State general fund/general purpose                 | 6,392,200  | 281,200              | 6,673,400      |

## **EPIDEMIOLOGY**

There are no changes to the AIDS Surveillance and Prevention Program line item.

The Epidemiology Administration line item receives employee-related economic increases of \$51,200 Gross (\$29,200 GF/GP) for a 2% salary and wage adjustment, and \$10,400 Gross (\$5,900 GF/GP) for defined contribution retirement costs. The line is reduced by \$16,300 Gross (\$9,300 GF/GP) for defined benefit retirement costs. A reduction of \$16,400 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$16,500 Gross (\$9,400 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$67,900 Gross (\$64,800 GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$30,000 Gross (\$11,000 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. Federal funding increases are made to the line item totaling \$982,600 Gross (\$0 GF/GP) for the following: \$453,700 from the ongoing federal bioterrorism grant for epidemiology activities, \$358,100 from the Epidemiology and Laboratory Capacity grant for epidemiology activities, \$11,500 from the Tuberculosis Control grant, \$97,300 from the Behavioral Risk Factor Surveillance grant, and \$62,000 from the federal PBB grant. The line item is reduced by \$55,100 Gross (\$0 GF/GP) to eliminate all fee revenue authorization as fee revenue has not been collected since FY 1996-97. The line item is reduced by \$80,600 Gross (\$0 GF/GP) to eliminate interdepartmental grant authorization for a Department of Environmental Quality IDG, as the IDG (related to work performed by DCH for a fish consumption study) has not been used since FY 1997-98. A net \$0 Gross (\$0 GF/GP) state restricted fund source adjustment is made, replacing \$153,100 of Healthy Michigan Funds with Michigan Health Initiative Funds, to be used for the same purpose, behavioral risk factor survey functions. Funds for asthma programs totaling \$300,000 Gross (all GF/GP) are transferred from this line item to a new Asthma Prevention and Control line item. The line item is increased by \$100 Gross (all GF/GP) for proactive research regarding human health concerns of the transmission of traditionally animal-borne diseases to humans.

**VETO - The Governor vetoed Section 853 boilerplate language, and thereby eliminates the \$100 appropriation of GF/GP for proactive research regarding human health concerns of the transmission of traditionally animal-borne diseases to humans.**

The Tuberculosis Control and Recalcitrant AIDS Program line item is increased by \$368,700 Gross (\$0 GF/GP) to recognize additional federal Tuberculosis Control grant funds anticipated.

A new Bioterrorism Preparedness line item is created with new funding from the federal grants for Public Health Preparedness and Response for Bioterrorism, and the Bioterrorism Hospital Preparedness Program grant, including 33.0 FTEs and \$9,503,400 Gross (\$0 GF/GP) in anticipated revenue available for FY 2002-03.

**VETO - The Governor vetoed Section 852 boilerplate language, and thereby reduces the appropriation of federal bioterrorism funds by \$3,400,000.**

A new Asthma Prevention and Control line item is created with a transfer of \$300,000 Gross (all GF/GP) for asthma programs from the Epidemiology Administration line item. The line item is increased by \$375,000 Gross (\$0 GF/GP) in new federal funding from the federal Asthma grant for asthma surveillance.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The Asthma Prevention and Control line item is reduced by \$109,200 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 36.4% reduction of the GF/GP funding supporting this line item.

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Epidemiology Administration line item is reduced by \$78,300 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in P. A. 519 of 2002, and approved as a legislative transfer on December 12, 2002.

### **FY 2001-02 SUPPLEMENTAL ACTIONS**

#### **PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 530 establishes a separate FY 2001-02 Bioterrorism Preparedness line item with an appropriation of \$31,200,000 Gross (\$0 GF/GP) to recognize federal supplemental funding to Michigan for medical and public health bioterrorism preparedness initiatives at state and local levels, including laboratories, hospitals, communications, and information management.

|  | FY 2001-02       | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03        |                    | FY 2002-03             |                   |
|--|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|
|  | COMM. HEALTH     | EXECUTIVE         | SENATE            | HOUSE             | ENROLLED          | FY 2002-03         | Contingent             |                   |
| P.A. 519 of 2002 (S.B. 1101)                           | YEAR-TO-DATE     | RECOMMEND.        | RECOMMEND.        | RECOMMEND.        | BILL              | VETOES             | Appropriations         | FY 2002-03        |
| DEPARTMENT OF COMMUNITY HEALTH                         | 7-Feb-02         | 7-Feb-02          | 20-Mar-02         | 23-May-02         | 27-Jun-02         | 25-Jul-02          | (Sec. 263, 1645, 1714) | ENACTED           |
|  |                  |                   |                   |                   |                   |                    |                        |                   |
| <b>Sec. 109. EPIDEMIOLOGY</b>                          |                  |                   |                   |                   |                   |                    |                        |                   |
| Full-time equated classified positions                 | 31.5             | 64.5              | 64.5              | 64.5              | 64.5              | 0.0                | 0.0                    | 64.5              |
| AIDS surveillance and prevention program--* FTE posit  | 1,772,800        | 1,772,800         | 1,772,800         | 1,772,800         | 1,772,800         | 0                  | 0                      | 1,772,800         |
| * positions in above line                              | 7.0              | 7.0               | 7.0               | 7.0               | 7.0               | 0.0                | 0.0                    | 7.0               |
| Asthma prevention and control                          | 0                | 0                 | 0                 | 675,000           | 675,000           | 0                  | 0                      | 675,000           |
| Bioterrorism preparedness                              | 0                | 9,503,400         | 9,503,400         | 9,503,400         | 9,503,400         | (3,400,000)        | 0                      | 6,103,400         |
| * positions in above line                              | 0.0              | 33.0              | 33.0              | 33.0              | 33.0              | 0.0                | 0.0                    | 33.0              |
| Epidemiology administration--* FTE positions           | 5,162,500        | 6,298,900         | 6,298,900         | 5,724,000         | 5,624,000         | (100)              | 0                      | 5,623,900         |
| * positions in above line                              | 24.5             | 24.5              | 24.5              | 24.5              | 24.5              | 0.0                | 0.0                    | 24.5              |
| Tuberculosis control and recalcitrant AIDS program     | 498,300          | 867,000           | 867,000           | 867,000           | 867,000           | 0                  | 0                      | 867,000           |
| <b>GROSS APPROPRIATION</b>                             | <b>7,433,600</b> | <b>18,442,100</b> | <b>18,442,100</b> | <b>18,542,200</b> | <b>18,442,200</b> | <b>(3,400,100)</b> | <b>0</b>               | <b>15,042,100</b> |
| Appropriated from:                                     |                  |                   |                   |                   |                   |                    |                        |                   |
| Interdepartmental grant revenues:                      |                  |                   |                   |                   |                   |                    |                        |                   |
| Interdepartmental grant from the department of environ | 80,600           | 0                 | 0                 | 0                 | 0                 | 0                  | 0                      | 0                 |
| Federal revenues:                                      |                  |                   |                   |                   |                   |                    |                        |                   |
| Total federal revenues                                 | 4,716,100        | 15,936,100        | 15,936,100        | 15,936,100        | 15,936,100        | (3,400,000)        | 0                      | 12,536,100        |
| Special revenue funds:                                 |                  |                   |                   |                   |                   |                    |                        |                   |
| Total other state restricted revenues                  | 234,100          | 179,000           | 179,000           | 179,000           | 179,000           | 0                  | 0                      | 179,000           |
| State general fund/general purpose                     | 2,402,800        | 2,327,000         | 2,327,000         | 2,427,100         | 2,327,100         | (100)              | 0                      | 2,327,000         |

|  |                   | FY 2002-03         | FY 2002-03           |                   |
|--|-------------------|--------------------|----------------------|-------------------|
|  |                   | Transfers to       | Transfers to         | FY 2002-03        |
| FY 2002-03   | FY 2002-03        | Execute EO 2002-22 | Execute PA 519       | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                           | ENACTED           | Budgetary Savings  | Budg Svgs, Early Ret | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                         | 25-Jul-02         | 12-Dec-02          | 12-Dec-02            | 30-Dec-02         |
| <b>Sec. 109. EPIDEMIOLOGY</b>                          |                   |                    |                      |                   |
| Full-time equated classified positions                 | 64.5              | 0.0                | 0.0                  | 64.5              |
| AIDS surveillance and prevention program--* FTE posit  | 1,772,800         | 0                  | 0                    | 1,772,800         |
| * positions in above line                              | 7.0               | 0.0                | 0.0                  | 7.0               |
| Asthma prevention and control                          | 675,000           | (109,200)          | 0                    | 565,800           |
| Bioterrorism preparedness                              | 6,103,400         | 0                  | 0                    | 6,103,400         |
| * positions in above line                              | 33.0              | 0.0                | 0.0                  | 33.0              |
| Epidemiology administration--* FTE positions           | 5,623,900         | 0                  | (78,300)             | 5,545,600         |
| * positions in above line                              | 24.5              | 0.0                | 0.0                  | 24.5              |
| Tuberculosis control and recalcitrant AIDS program     | 867,000           | 0                  | 0                    | 867,000           |
| <b>GROSS APPROPRIATION</b>                             | <b>15,042,100</b> | <b>(109,200)</b>   | <b>(78,300)</b>      | <b>14,854,600</b> |
| Appropriated from:                                     |                   |                    |                      |                   |
| Interdepartmental grant revenues:                      |                   |                    |                      |                   |
| Interdepartmental grant from the department of environ | 0                 | 0                  | 0                    | 0                 |
| Federal revenues:                                      |                   |                    |                      |                   |
| Total federal revenues                                 | 12,536,100        | 0                  | 0                    | 12,536,100        |
| Special revenue funds:                                 |                   |                    |                      |                   |
| Total other state restricted revenues                  | 179,000           | 0                  | 0                    | 179,000           |
| State general fund/general purpose                     | 2,327,000         | (109,200)          | (78,300)             | 2,139,500         |

## **LOCAL HEALTH ADMINISTRATION AND GRANTS**

There are no changes to the Implementation of 1993 PA 133, MCL 333.17015 line item.

The Lead Abatement Program line item receives employee-related economic increases of \$7,200 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$2,400 Gross (\$0 GF/GP) for defined contribution retirement costs. The line item is reduced by \$700 Gross (\$0 GF/GP) for defined benefit retirement costs. The line item is reduced by \$400 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$3,800 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. A federal funding increase is made to the line item of \$428,200 Gross (\$0 GF/GP) to recognize additional funding from the federal Environmental Protection Agency Lead Cooperative grant. A federal funding reduction is made to the line item of \$828,000 Gross (\$0 GF/GP) recognizing a reduction in the federal Housing and Urban Development Lead Abatement grant.

The Local Health Services line item is reduced by \$238,500 Gross (an increase of \$5,000 GF/GP) with a reduction of \$243,500 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for local public health training and evaluation, however \$238,500 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (o) contingency language.

There are no changes to the Local Public Health Operations line item.

There are no changes to the Medical Services Cost Reimbursement to Local Health Departments line item.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The Local Health Services line item is reduced by \$162,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of funding for the remainder of the fiscal year for local and state health department staffs in the delivery of required local health services.

The Local Public Health Operations line item is reduced by \$300,900 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by reducing local health services cost sharing payments to local health departments by 1.1% for the remainder of the fiscal year.

|   | FY 2001-02        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03        |            | FY 2002-03             |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------|------------------------|-------------------|
| FY 2002-03  | COMM. HEALTH      | EXECUTIVE         | SENATE            | HOUSE             | ENROLLED          | FY 2002-03 | Contingent             | FY 2002-03        |
| P.A. 519 of 2002 (S.B. 1101)                            | YEAR-TO-DATE      | RECOMMEND.        | RECOMMEND.        | RECOMMEND.        | BILL              | VETOES     | Appropriations         | ENACTED           |
| DEPARTMENT OF COMMUNITY HEALTH                          | 7-Feb-02          | 7-Feb-02          | 20-Mar-02         | 23-May-02         | 27-Jun-02         | 25-Jul-02  | (Sec. 263, 1645, 1714) | 25-Jul-02         |
|   |                   |                   |                   |                   |                   |            |                        |                   |
| <b>Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS</b> |                   |                   |                   |                   |                   |            |                        |                   |
| Full-time equated classified positions                  | 3.0               | 3.0               | 3.0               | 3.0               | 3.0               | 0.0        | 0.0                    | 3.0               |
| Implementation of 1993 PA 133, MCL 333.17015            | 100,000           | 100,000           | 100,000           | 100,000           | 100,000           | 0          | 0                      | 100,000           |
| Lead abatement program--* FTE positions                 | 1,945,300         | 1,550,200         | 1,550,200         | 3,000,000         | 1,550,200         | 0          | 0                      | 1,550,200         |
| * positions in above line                               | 3.0               | 3.0               | 3.0               | 3.0               | 3.0               | 0.0        | 0.0                    | 3.0               |
| Local health services                                   | 462,300           | 462,300           | 512,300           | 462,300           | 223,800           | 0          | 238,500                | 462,300           |
| Local public health operations                          | 41,070,200        | 41,070,200        | 43,123,700        | 43,123,800        | 41,070,200        | 0          | 0                      | 41,070,200        |
| Medical services cost reimbursement to local health de  | 1,500,000         | 1,500,000         | 1,500,000         | 1,500,000         | 1,500,000         | 0          | 0                      | 1,500,000         |
|   |                   |                   |                   |                   |                   |            |                        |                   |
| <b>GROSS APPROPRIATION</b>                              | <b>45,077,800</b> | <b>44,682,700</b> | <b>46,786,200</b> | <b>48,186,100</b> | <b>44,444,200</b> | <b>0</b>   | <b>238,500</b>         | <b>44,682,700</b> |
| Appropriated from:                                      |                   |                   |                   |                   |                   |            |                        |                   |
| Federal revenues:                                       |                   |                   |                   |                   |                   |            |                        |                   |
| Total federal revenues                                  | 3,345,300         | 2,952,900         | 2,952,900         | 2,949,200         | 2,949,100         | 0          | 0                      | 2,949,100         |
| Special revenue funds:                                  |                   |                   |                   |                   |                   |            |                        |                   |
| Total other state restricted revenues                   | 343,500           | 340,800           | 340,800           | 344,600           | 101,100           | 0          | 0                      | 101,100           |
|   |                   |                   |                   |                   |                   |            |                        |                   |
| State general fund/general purpose                      | 41,389,000        | 41,389,000        | 43,492,500        | 44,892,300        | 41,394,000        | 0          | 238,500                | 41,632,500        |

|   |                   | FY 2002-03         |                   |
|---|-------------------|--------------------|-------------------|
|   |                   | Transfers to       | FY 2002-03        |
| FY 2002-03  | FY 2002-03        | Execute EO 2002-22 | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                            | ENACTED           | Budgetary Savings  | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                          | 25-Jul-02         | 12-Dec-02          | 30-Dec-02         |
| <b>Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS</b> |                   |                    |                   |
| Full-time equated classified positions                  | 3.0               | 0.0                | 3.0               |
| Implementation of 1993 PA 133, MCL 333.17015            | 100,000           | 0                  | 100,000           |
| Lead abatement program--* FTE positions                 | 1,550,200         | 0                  | 1,550,200         |
| * positions in above line                               | 3.0               | 0.0                | 3.0               |
| Local health services                                   | 462,300           | (162,000)          | 300,300           |
| Local public health operations                          | 41,070,200        | (300,900)          | 40,769,300        |
| Medical services cost reimbursement to local health de  | 1,500,000         | 0                  | 1,500,000         |
| <b>GROSS APPROPRIATION</b>                              | <b>44,682,700</b> | <b>(462,900)</b>   | <b>44,219,800</b> |
| Appropriated from:                                      |                   |                    |                   |
| Federal revenues:                                       |                   |                    |                   |
| Total federal revenues                                  | 2,949,100         | 0                  | 2,949,100         |
| Special revenue funds:                                  |                   |                    |                   |
| Total other state restricted revenues                   | 101,100           | 0                  | 101,100           |
| State general fund/general purpose                      | 41,632,500        | (462,900)          | 41,169,600        |

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

There are no changes to the AIDS and Risk Reduction Clearinghouse and Media Campaign line item.

There are no changes to the Alzheimer's Information Network line item.

The Cancer Prevention and Control Program line item receives employee-related economic increases of \$20,000 Gross (\$5,600 GF/GP) for a 2% salary and wage adjustment, and \$66,100 Gross (\$23,100 GF/GP) for defined benefit retirement costs. Defined contribution retirement costs are reduced by \$71,800 Gross (\$22,900 GF/GP). A reduction of \$2,900 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$6,400 Gross (all GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$5,700 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. Funds totaling \$9,500 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is increased by \$1,335,900 Gross (\$0 GF/GP) to reflect anticipated increases from the following federal grants: \$585,900 from the Comprehensive Breast and Cervical Cancer Early Detection Program grant, and \$750,000 from the WISEWOMAN (Well Integrated Screening and Evaluation for Women Across the Nation) cardiovascular health grant. The line item is reduced by \$37,500 Gross (all GF/GP) to eliminate the remainder of the appropriation for the colorectal cancer project that had been partially eliminated by E. O. 2001-9 in FY 2001-02. The line item is adjusted by \$0 Gross (\$1,884,300 GF/GP) to replace \$1,884,300 of state restricted Healthy Michigan Funds with GF/GP funds for cancer prevention. The line item is reduced by \$1,500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for university cancer projects, however the funds were completely restored, all with GF/GP, upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (d) contingency language.

The Chronic Disease Prevention line item is reduced by \$195,000 Gross (an increase of \$5,000 GF/GP) with a reduction of \$200,000 of state restricted Healthy Michigan Funds for obesity programs and an increase of \$5,000 GF/GP. See the new Obesity Programs line item at the end of this section regarding the \$195,000 in funds that were restored. The Chronic Disease Prevention line item is reduced by \$45,000 Gross (an increase of \$5,000 GF/GP) with a reduction of \$50,000 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for child and adult arthritis programs; however \$45,000 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (e) contingency language.

The Diabetes Program and Kidney Program line item receives employee-related economic increases of \$8,700 Gross (\$2,800 GF/GP) for a 2% salary and wage adjustment. The line item is reduced by \$1,200 Gross (\$100 GF/GP) for defined contribution retirement costs, and by \$8,500 Gross (\$900 GF/GP) for defined benefit retirement costs. A reduction of 1.0 FTE and \$58,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$3,800 Gross (all GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$3,400 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$100,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item from a reduction to the African-American Male Health Initiative program by the Department (the actual FY 2001-02 budgetary savings taken in that fiscal year was \$50,000, approved as a year-end legislative transfer on November 13, 2002). The line item is reduced by \$320,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for the African-American Male Health Initiative. See the new African-American Male Health Initiative line item at the end of this section regarding the \$315,000 in funds that were restored. The line item is reduced by \$2,647,200 Gross (an increase of \$5,000 GF/GP) with a reduction of \$2,652,200 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for the diabetes and kidney program; however \$2,647,200 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (f) contingency language. The line item is increased by \$50,000 Gross (all GF/GP) for a Battle Creek diabetes and kidney prevention program.

**VETO - The Governor vetoed Section 1025 boilerplate language, and thereby eliminates the \$50,000 GF/GP appropriation for a Battle Creek diabetes and kidney prevention program.**

The Employee Wellness Program Grants line item is eliminated by the two following reductions. The line item is reduced by \$100,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item from a reduction to the Worksite and Community Wellness cardiovascular health program by the Department. The line item is reduced by \$959,300 Gross (\$100 GF/GP) to eliminate the remainder of the appropriation for the Worksite and Community Wellness Cardiovascular Health program that had been partially eliminated by E. O. 2001-9 in FY 2001-02.

The Health Education, Promotion, and Research Programs line item receives employee-related economic increases of \$14,200 Gross (\$9,800 GF/GP) for a 2% salary and wage adjustment, and \$3,300 Gross (\$2,700 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$3,100 Gross (an increase of \$300 GF/GP). A reduction of \$3,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$5,300 Gross (all GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$3,000 Gross (all GF/GP) are transferred from this line

item to a new Information Technology appropriation unit and line item. The line item is reduced by \$11,400 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. A federal funding reduction is made to the line item of \$82,000 Gross (\$0 GF/GP) to reflect actual federal grants anticipated to be received in FY 2002-03. Available funds totaling \$7,400 Gross (all GF/GP) are transferred to the line item from the Violence Prevention line item. Federal funding totaling \$102,800 Gross (\$0 GF/GP) are transferred from the School Health and Education line item for school health education curriculum development.

The Injury Control Intervention Project line item is increased by \$325,000 Gross (\$0 GF/GP) to reflect anticipated increases of \$125,000 from the federal Core Injury Prevention grant and \$200,000 from the federal Traumatic Brain Injury grant. The line item is reduced by \$432,800 Gross (\$0 GF/GP) to recognize completion of the federal fire safety pilot grant. The line item is reduced by \$495,000 Gross (an increase of \$5,000 GF/GP) with a reduction of \$500,000 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for the SAFE Kids program; however \$495,000 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (g) contingency language.

The Michigan Parkinson's Foundation line item is eliminated by the reduction of \$50,000 Gross (all GF/GP), which is the remainder of the appropriation for the line item. Funding for this line item had been partially eliminated in FY 2001-02 by E. O. 2001-9.

There are no changes to the Morris Hood Wayne State University Diabetes Outreach line item.

The Physical Fitness, Nutrition, and Health line item is reduced by \$495,000 Gross (an increase of \$755,000 GF/GP) with a reduction of \$1,250,000 of state restricted Healthy Michigan Funds and an increase of \$755,000 GF/GP for physical fitness and nutrition programs; however \$490,000 Gross (all GF/GP) was restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (k) contingency language. The net impact to the line item of the reduction and subsequent restoration is a \$5,000 Gross reduction.

The Public Health Traffic Safety Coordination line item is increased by \$235,000 Gross (\$0 GF/GP) to reflect an increase in federal funding for child safety programs anticipated from the Office of Highway Safety Planning, Michigan State Police.

The School Health and Education Programs line item is eliminated by the following changes. Federal funds for school health education curriculum development totaling \$102,800 Gross (\$0 GF/GP) are transferred from this line item to the Health Education, Promotion, and Research Programs line item. Funding of \$3,180,000 Gross (\$2,000,000 GF/GP) is

eliminated from the line item for school health education program contracts with intermediate school districts. Administrative and financial responsibility for this program has been included in the FY 2002-03 School Aid budget.

The Smoking Prevention Program line item receives employee-related economic increases of \$12,500 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$3,600 Gross (\$0 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$3,000 Gross (\$0 GF/GP). The line item is reduced by \$5,300 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$2,963,100 Gross (all GF/GP) to reflect FY 2001-02 budgetary savings proposed to be obtained in FY 2001-02 by elimination of an increase to the smoking prevention program (the actual FY 2001-02 budgetary savings taken in that fiscal year did not include any savings from this line item). The line item is reduced by \$1,900,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for the smoking prevention program; however \$1,900,000 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (m) contingency language.

There are no changes to the Tobacco Tax Collection and Enforcement line item.

The Violence Prevention line item receives employee-related economic increases of \$6,200 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$2,300 Gross (\$0 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$1,000 Gross (\$0 GF/GP). The line item is reduced by \$2,300 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$507,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds and 2.0 FTEs to eliminate the remainder of the state funds appropriation for violence prevention that had been partially eliminated by E. O. 2001-9 in FY 2001-02. The line item is reduced by the transfer of available state funding totaling \$7,400 Gross (all GF/GP) from this line item to the Health Education, Promotion, and Research Programs line item.

A new African-American Male Health Initiative line item is created with an appropriation of \$5,000 Gross (all GF/GP). This program was previously funded in the Diabetes and Kidney Program line item. \$315,000 Gross (all GF/GP) is restored to this program due to passage of a cigarette tax increase based on Sec. 263 (c) contingency language.

A new Obesity Program line item is created with the following funds: \$250,000 Gross (\$0 GF/GP) of new funds from the federal Nutrition and Physical Activity Programs to Prevent Obesity and Related Chronic Diseases grant, and \$5,000 Gross (all GF/GP). Funding totaling \$195,000 Gross (all GF/GP) is restored to this program due to passage of a cigarette

tax increase, Public Act 503 of 2002, based on Sec. 263 (j) contingency language. This program was previously funded in the Chronic Disease Prevention line item.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The African-American Male Health Initiative line item is reduced by \$213,300 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of funding for this program for the remainder of the fiscal year.

The Cancer Prevention and Control Program line item is reduced by \$2,538,300 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of cancer project funding to universities for the remainder of the fiscal year (\$1,000,000) and by the elimination of GF/GP funding for the cancer program that is not needed as match for federal funds for the remainder of the fiscal year (\$1,538,300).

The Diabetes and Kidney Program line item is reduced by \$1,031,800 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 36.4% reduction of the GF/GP funding supporting this line item

The Health Education, Promotion, and Research Programs line item is reduced by \$266,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to replace GF/GP funds removed from the Long-Term Care Services line item in order to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The reduction eliminates funding directed to osteoporosis projects for the remainder of the fiscal year.

The Injury Control Intervention Project line item is reduced by \$333,400 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of funding for SAFE KIDS community childhood injury prevention programs for the remainder of the fiscal year.

The Morris Hood Wayne State University Diabetes Outreach line item is reduced by \$291,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to replace GF/GP funds removed from the Long-Term Care Services line item in order to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The reduction eliminates funding for this program for the remainder of the fiscal year.

The Physical Fitness, Nutrition, and Health line item is reduced by \$763,500 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 61.3% reduction of funding for this program.

The Public Health Traffic Safety Coordination line item is reduced by \$200,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of funding for this program for the remainder of the fiscal year.

The Smoking Prevention line item is reduced by \$692,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 36.4% reduction of the GF/GP funding supporting this line item.

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Health Education, Promotion, and Research programs line item is increased by \$82,700 Gross (all GF/GP) to reflect redirected early retirement savings obtained from the 2002 early retirement program that exceeded the Gross amount identified for the Department in Public Act 519 of 2002. This increase was approved as a legislative transfer on December 12, 2002.

The Obesity Program line item is reduced by \$133,400 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained from elimination of GF/GP funding for this line item for the remainder of the fiscal year.

## FY 2001-02 SUPPLEMENTAL ACTIONS

### **PUBLIC ACT 120 OF 2001 SUPPLEMENTAL APPROPRIATIONS**

Public Act 120 increases the FY 2001-02 Cancer Prevention and Control Program line item with an appropriation of \$1,500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds. The funds are allocated by boilerplate to three university cancer centers for activities consistent with the current priorities of the Michigan Cancer Consortium.

### **EXECUTIVE ORDER 2001-9**

The November 2001 Executive Order reduces the FY 2001-02 Cancer Prevention and Control Program line item appropriation by \$112,500 Gross (all GF/GP). This reduces by 75% the annual allocation targeted to colorectal cancer awareness, education and early detection.

The November 2001 Executive Order reduces the FY 2001-02 Employee Wellness Program Grants line item appropriation by \$3,200,000 Gross (\$0 GF/GP). This eliminates 75% of the program funding. The savings, from state restricted Michigan Health Initiative (MHI) and Healthy Michigan (HMF) funds, are lapsed to the General Fund.

The November 2001 Executive Order reduces the FY 2001-02 Michigan Parkinson's Foundation line item appropriation by \$150,000 Gross (all GF/GP). This eliminates 75% of the program funding.

The November 2001 Executive Order reduces the FY 2001-02 Violence Prevention line item appropriation by \$1,500,000 Gross (\$0 GF/GP). This eliminates 75% of the state funding for this program. The savings, from state restricted Healthy Michigan (HMF) funds, are lapsed to the General Fund.

|   | FY 2001-02   | FY 2002-03             | FY 2002-03 |
|---|--------------|------------|------------|------------|------------|------------|------------------------|------------|
|   | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Contingent             |            |
| P.A. 519 of 2002 (S.B. 1101)  | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | Appropriations         | FY 2002-03 |
| DEPARTMENT OF COMMUNITY HEALTH  | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | (Sec. 263, 1645, 1714) | ENACTED    |
|   |              |            |            |            |            |            |                        |            |
| <b>Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b> |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions                                      | 33.7         | 30.7       | 30.7       | 30.7       | 30.7       |            |                        |            |
| African-American male health initiative                                     | 0            | 0          |            |            |            | 0.0        | 0.0                    | 30.7       |
| AIDS and risk reduction clearinghouse and media campaign                    | 1,576,000    | 1,576,000  | 1,000,000  | 1,245,000  | 5,000      | 0          | 315,000                | 320,000    |
| Alzheimer's information network   | 440,000      | 440,000    | 440,000    | 1,576,000  | 1,576,000  | 0          | 0                      | 1,576,000  |
| Cancer prevention and control program--* FTE positions                      | 12,293,200   | 13,581,400 | 15,231,400 | 440,000    | 440,000    | 0          | 0                      | 440,000    |
| * positions in above line   | 13.6         | 13.6       | 13.6       | 15,331,400 | 12,081,400 | 0          | 1,500,000              | 13,581,400 |
| Chronic disease prevention  | 1,767,400    | 1,767,400  | 1,767,400  | 13.6       | 13.6       | 0.0        | 0.0                    | 13.6       |
| Detroit medical center, center for geriatric medicine in C                  | 0            | 0          | 0          | 2,317,400  | 1,527,400  | 0          | 45,000                 | 1,572,400  |
| Diabetes and kidney program--* FTE positions                                | 4,471,900    | 4,305,700  | 3,985,700  | 250,000    | 0          | 0          | 0                      | 0          |
| * positions in above line   | 9.0          | 8.0        | 8.0        | 4,101,700  | 1,388,500  | (50,000)   | 2,647,200              | 3,985,700  |
| Employee wellness program grants  | 1,059,300    | 0          | 0          | 8.0        | 8.0        | 0.0        | 0.0                    | 8.0        |
| Health education, promotion, and research programs--*                       | 1,332,900    | 1,352,800  | 1,352,800  | 100,000    | 0          | 0          | 0                      | 0          |
| * positions in above line   | 2.9          | 2.9        | 2.9        | 1,352,800  | 1,352,800  | 0          | 0                      | 1,352,800  |
| Injury control intervention project   | 1,032,800    | 925,000    | 925,000    | 2.9        | 2.9        | 0.0        | 0.0                    | 2.9        |
| Michigan Parkinson's Foundation   | 50,000       | 0          | 200,000    | 1,225,000  | 430,000    | 0          | 495,000                | 925,000    |
| Morris Hood Wayne State University diabetes outreach                        | 500,000      | 500,000    | 500,000    | 200,000    | 0          | 0          | 0                      | 0          |
| Obesity program   | 0            | 0          | 0          | 500,000    | 500,000    | 0          | 0                      | 500,000    |
| Physical fitness, nutrition, and health                                     | 1,250,000    | 1,500,000  | 1,500,000  | 450,000    | 255,000    | 0          | 195,000                | 450,000    |
| Public health traffic safety coordination                                   | 415,000      | 650,000    | 650,000    | 1,375,000  | 755,000    | 0          | 490,000                | 1,245,000  |
| School health and education programs  | 3,282,800    | 0          | 650,000    | 650,000    | 650,000    | 0          | 0                      | 650,000    |
| Smoking prevention program--* FTE positions                                 | 8,500,000    | 5,544,700  | 5,544,700  | 0          | 180,000    | 0          | 0                      | 0          |
| * positions in above line   | 6.2          | 6.2        | 6.2        | 10,007,800 | 3,644,700  | 0          | 1,900,000              | 5,544,700  |
| Tobacco tax collection and enforcement                                      | 810,000      | 810,000    | 810,000    | 6.2        | 6.2        | 0.0        | 0.0                    | 6.2        |
| Violence prevention--* FTE positions  | 1,956,800    | 1,446,900  | 1,446,900  | 810,000    | 810,000    | 0          | 0                      | 810,000    |
| * positions in above line   | 2.0          | 0.0        | 0.0        | 1,946,900  | 1,446,900  | 0          | 0                      | 1,446,900  |
| GROSS APPROPRIATION   | 40,738,100   | 34,399,900 | 36,929,900 | 0.0        | 0.0        | 0.0        | 0.0                    | 0.0        |
| Appropriated from:  |              |            |            | 44,059,000 | 26,862,700 | (50,000)   | 7,587,200              | 34,399,900 |
| Federal revenues:   |              |            |            |            |            |            |                        |            |
| Total federal revenues  | 13,568,300   | 15,203,200 | 15,203,200 |            |            |            |                        |            |
| Special revenue funds:  |              |            |            | 15,203,200 | 15,203,200 | 0          | 0                      | 15,203,200 |
| Tobacco settlement revenue  | 0            | 0          | 0          |            |            |            |                        |            |
| Total other state restricted revenues                                       | 20,525,600   | 17,882,300 | 17,882,300 | 1,500,000  | 0          | 0          | 0                      | 0          |
| State general fund/general purpose  | 6,644,200    | 1,314,400  | 3,844,400  | 9,473,500  | 4,033,700  | (50,000)   | 7,587,200              | 11,570,900 |

|   |                   | FY 2002-03         | FY 2002-03           |                   |
|---|-------------------|--------------------|----------------------|-------------------|
|   |                   | Transfers to       | Transfers to         | FY 2002-03        |
| FY 2002-03  | FY 2002-03        | Execute EO 2002-22 | Execute PA 519       | YTD               |
| P.A. 519 of 2002 (S.B. 1101)  | ENACTED           | Budgetary Savings  | Budg Svgs, Early Ret | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH  | 25-Jul-02         | 12-Dec-02          | 12-Dec-02            | 30-Dec-02         |
| <b>Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b> |                   |                    |                      |                   |
| Full-time equated classified positions                                      | 30.7              | 0.0                | 0.0                  | 30.7              |
| African-American male health initiative                                     | 320,000           | (213,300)          | 0                    | 106,700           |
| AIDS and risk reduction clearinghouse and media camp                        | 1,576,000         | 0                  | 0                    | 1,576,000         |
| Alzheimer's information network   | 440,000           | 0                  | 0                    | 440,000           |
| Cancer prevention and control program--* FTE positions                      | 13,581,400        | (2,538,300)        | 0                    | 11,043,100        |
| * positions in above line   | 13.6              | 0.0                | 0.0                  | 13.6              |
| Chronic disease prevention  | 1,572,400         | 0                  | 0                    | 1,572,400         |
| Detroit medical center, center for geriatric medicine in C                  | 0                 | 0                  | 0                    | 0                 |
| Diabetes and kidney program--* FTE positions                                | 3,985,700         | (1,031,800)        | 0                    | 2,953,900         |
| * positions in above line   | 8.0               | 0.0                | 0.0                  | 8.0               |
| Employee wellness program grants  | 0                 | 0                  | 0                    | 0                 |
| Health education, promotion, and research programs--*                       | 1,352,800         | (266,700)          | 82,700               | 1,168,800         |
| * positions in above line   | 2.9               | 0.0                | 0.0                  | 2.9               |
| Injury control intervention project   | 925,000           | (333,400)          | 0                    | 591,600           |
| Michigan Parkinson's Foundation   | 0                 | 0                  | 0                    | 0                 |
| Morris Hood Wayne State University diabetes outreach                        | 500,000           | (291,700)          | 0                    | 208,300           |
| Obesity program   | 450,000           | 0                  | (133,400)            | 316,600           |
| Physical fitness, nutrition, and health                                     | 1,245,000         | (763,500)          | 0                    | 481,500           |
| Public health traffic safety coordination                                   | 650,000           | (200,000)          | 0                    | 450,000           |
| School health and education programs  | 0                 | 0                  | 0                    | 0                 |
| Smoking prevention program--* FTE positions                                 | 5,544,700         | (692,000)          | 0                    | 4,852,700         |
| * positions in above line   | 6.2               | 0.0                | 0.0                  | 6.2               |
| Tobacco tax collection and enforcement                                      | 810,000           | 0                  | 0                    | 810,000           |
| Violence prevention--* FTE positions  | 1,446,900         | 0                  | 0                    | 1,446,900         |
| * positions in above line   | 0.0               | 0.0                | 0.0                  | 0.0               |
| <b>GROSS APPROPRIATION</b>  | <b>34,399,900</b> | <b>(6,330,700)</b> | <b>(50,700)</b>      | <b>28,018,500</b> |
| Appropriated from:  |                   |                    |                      |                   |
| Federal revenues:   |                   |                    |                      |                   |
| Total federal revenues  | 15,203,200        | 0                  | 0                    | 15,203,200        |
| Special revenue funds:  |                   |                    |                      |                   |
| Tobacco settlement revenue  | 0                 | 0                  | 0                    | 0                 |
| Total other state restricted revenues                                       | 7,625,800         | (558,400)          | 0                    | 7,067,400         |
| State general fund/general purpose  | 11,570,900        | (5,772,300)        | (50,700)             | 5,747,900         |

## **COMMUNITY LIVING, CHILDREN, AND FAMILIES**

The Adolescent and Child Health Care Services line item is eliminated by the following change: reduction of \$942,300 Gross (\$728,300 GF/GP) to eliminate the remainder of the appropriation that had been partially eliminated by E. O. 2001-9 in FY 2001-02. Funds eliminated in FY 2001-02 for this program were provided in the FY 2001-02 School Aid budget. Funding has been included in the FY 2002-03 School Aid budget at previously funded DCH levels.

The Childhood Lead Program line item receives employee-related economic increases of \$5,300 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$1,800 Gross (\$0 GF/GP) for defined contribution retirement costs. Defined benefit retirement costs are reduced by \$900 Gross (\$0 GF/GP). The line item is reduced by \$2,200 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees.

The Children's Waiver Home Care Program line item is adjusted by a net \$0 Gross amount (an increase of \$243,600 GF/GP) to reflect GF/GP replacement of federal funds due to a reduction in the federal Medicaid matching rate (FMAP) for FY 2002-03 from 56.36% to 55.42%.

The Community Living, Children, and Families Administration line item receives employee-related economic increases of \$79,500 Gross (\$44,400 GF/GP) for a 2% salary and wage adjustment, and \$20,400 Gross (\$11,300 GF/GP) for defined contribution retirement costs. The line item is reduced by \$8,700 Gross (\$4,800 GF/GP) for defined benefit retirement costs. A reduction of 3.0 FTEs and \$174,000 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$28,400 Gross (\$18,900 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$25,000 Gross (\$22,200 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$2,800 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. The line item is reduced by \$359,000 Gross (all GF/GP) and 1.8 FTEs to reflect the FY 2001-02 budgetary savings obtained from this line item from a reorganization by the Department that included elimination of vacant positions, and reduction of contractual costs. The line item is increased by \$100,000 Gross (\$0 GF/GP) with federal Temporary Assistance for Needy Families (TANF) funds for costs to provide administrative management and support for the family support subsidy program. Overall federal funds authorization is reduced for this line item by \$418,600 Gross (\$0 GF/GP) to reflect actual federal grants anticipated to be received in FY 2002-03. The line item is increased by \$325,000 Gross (\$0 GF/GP) with a transfer of federal funds from the Special Projects line item, including \$200,000 for administration of the Early On program coordinating children's mental health

services, and \$125,000 for administration of the State Systems Development Initiative which measures health status of women, infants and children.

There are no changes to the Dental Programs line item.

There are no changes to the Dental Program for Persons with Developmental Disabilities line item.

There are no changes to the Family Planning Local Agreements line item.

The Family Support Subsidy line item is increased by \$173,600 Gross (\$0 GF/GP) with federal Temporary Assistance for Needy Families (TANF) funds to meet anticipated caseload increase estimated at 2.5%.

The Housing and Support Services line item receives employee-related economic increases of \$2,700 Gross (\$0 GF/GP) for a 2% salary and wage adjustment. The line item is reduced by \$3,400 Gross (\$0 GF/GP) for defined contribution retirement costs. The line item is increased by \$547,100 Gross (\$0 GF/GP) in federal funding authorization to reflect an anticipated increase in the PATH (Projects for Assistance in Transition from Homelessness) formula grant to assist persons with mental illness who are homeless or at risk of homelessness.

The Local MCH Services line item is increased by \$4,000,000 Gross (\$0 GF/GP) with state restricted Healthy Michigan Funds to address increasing demand for the Maternal Outpatient Medical Services (MOMS) program which has received supplemental appropriations funding in recent years to meet demand.

The Medicaid Outreach and Service Delivery Support line item is reduced by \$2,000,000 Gross (\$1,000,000 GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item from a \$1.0 million GF/GP cut to the program by the Department, thereby resulting also in the loss of \$1.0 million of federal Medicaid matching funds.

There are no changes to the Migrant Health Care line item.

There are no changes to the Newborn Screening Follow-Up and Treatment Services line item.

The Omnibus Budget Reconciliation Act Implementation line item receives employee-related economic increases of \$7,600 Gross (\$1,900 GF/GP) for a 2% salary and wage adjustment, and \$1,100 Gross (\$300 GF/GP) for defined contribution retirement costs. The line item is reduced by \$100 Gross (\$0 GF/GP) for defined benefit retirement costs. A

reduction of \$1,700 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$3,000 Gross (\$800 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$2,800 Gross (\$700 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item.

There are no changes to the Pediatric AIDS Prevention and Control line item.

The Pregnancy Prevention Program line item is reduced by \$850,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item from a reduction to the program by the Department. The line item is reduced by \$3,495,000 Gross (an increase of \$5,000 GF/GP) with a reduction of \$3,500,000 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for pregnancy prevention; however \$3,495,000 Gross (all GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (l) contingency language.

There are no changes to the Prenatal Care Outreach and Service Delivery Support line item.

There are no changes to the Southwest Community Partnership line item.

The Special Projects line item is reduced by \$2,500 Gross (\$0 GF/GP) with the transfer of these funds from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$75,000 Gross (all GF/GP) with the elimination of a FY 2001-02 one-time grant to the Bay Area Community Foundation. A net \$0 Gross (a reduction of \$100,000 GF/GP) fund source adjustment is made, replacing \$100,000 of GF/GP funding with state restricted Healthy Michigan Funds, to be used for the same purpose for a grant to the Parish Nursing Program in Bay County, first funded in FY 2001-02. The line item is increased by \$1,476,000 Gross (\$0 GF/GP) to recognize additional federal grant funding for the following: \$991,000 for Special Projects of Regional and National Significance (SPRANS) community-based abstinence education grant for the Michigan Teen Outreach Program, \$150,000 for the Pregnancy Risk Assessment Monitoring System (PRAMS) to reduce infant mortality and adverse birth outcomes, \$135,000 for oral disease prevention, and \$200,000 for universal newborn hearing screening. The line item is reduced by \$325,000 Gross (\$0 GF/GP) with the transfer to the Community Living, Children, and Families Administration line item of federal funding of \$200,000 for administration of the Early On program coordinating children's mental health services, and \$125,000 for administration of the State Systems Development Initiative which measures health status of women, infants and children. The line item is reduced by \$195,000 Gross (an increase of \$5,000 GF/GP) with a reduction of \$200,000 of state restricted Healthy Michigan Funds and an increase of \$5,000 GF/GP for fetal alcohol syndrome projects, however \$195,000 Gross (all

GF/GP) was completely restored upon passage of a cigarette tax increase, Public Act 503 of 2002, based on Sec. 263 (n) contingency language. Funding for child advocacy centers in the line item is increased by \$450,000 Gross (a reduction of \$650,000 GF/GP) by the elimination of \$650,000 of GF/GP funds and a new appropriation of \$1,100,000 of state restricted Healthy Michigan Funds.

**VETO - The Governor vetoed Section 1136 boilerplate language, and thereby eliminates the \$1,100,000 Healthy Michigan Fund appropriation for child advocacy centers.**

There are no changes to the Sudden Infant Death Syndrome Program line item.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The Local MCH Services line item is reduced by \$2,985,100 Gross (all GF/GP) by Executive Order 2002-22. The Maternity Outpatient Medical Services (MOMS) program is now eligible for federal funds in this amount in FY 2002-03, enabling these GF/GP savings.

The Pregnancy Prevention Program line item is reduced by \$500,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 9.0% reduction of GF/GP funding for this line item.

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Children's Waiver Home Care Program line item is reduced by \$1,446,200 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a recalculation of the projected expenditures based on actual spending in the prior fiscal year.

The Community Living, Children, and Families Administration line item is reduced by \$104,200 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002.

The Medicaid Outreach and Service Delivery Support line item is reduced by \$2,162,900 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of the program for the remainder of the fiscal year. Federal revenue of \$2,162,900 supporting this program will be lost due to the elimination of state funds.

The Special Projects line item is reduced by \$550,000 Gross (\$450,000 GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained by the elimination of \$250,000 of GF/GP to the line for special projects, and the replacement of \$200,000 of GF/GP for fetal alcohol syndrome education programs with available federal maternal and child health block grant funding. Additionally, the line is reduced by \$100,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to replace GF/GP funds removed from the Long-Term Care Services line item in order to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The \$100,000 reduction eliminates funding for the Parish Nursing Program.

#### **PUBLIC ACT 746 of 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 746 of 2002 increases the Local MCH Services line item by \$2,985,100 Gross (\$0 GF/GP) of federal funds. The Maternity Outpatient Medical Services (MOMS) program is now eligible for federal funds in this amount in FY 2002-03.

#### **FY 2001-02 SUPPLEMENTAL ACTIONS**

#### **PUBLIC ACT 120 OF 2001 SUPPLEMENTAL APPROPRIATIONS**

Public Act 120 increases the FY 2001-02 Special Projects line item by \$400,000 Gross (all GF/GP) with two individual \$200,000 appropriations. Half of the funds are allocated by boilerplate for pilot grants to institutions of higher education for pregnancy and parenting resources and support services for students. Half of the funds are intended for a special project.

**VETO - The Governor vetoed the two Special Project appropriations from P. A. 120, eliminating \$400,000 of GF/GP appropriations.**

**PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 530 increases the FY 2001-02 Local MCH Services appropriation by \$4,214,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to recognize caseload and expenditure increases in the Maternal Outpatient Medical Services (MOMS) program for low-income pregnant women.

**EXECUTIVE ORDER 2001-9**

The November 2001 Executive Order reduces the FY 2001-02 Adolescent and Child Health Care Services line item appropriation by \$2,800,000 Gross (\$2,164,000 GF/GP). This eliminates 75% of the program funding. The non-GF/GP savings from state restricted Healthy Michigan (HMF) funds are lapsed to the General Fund.

|  | FY 2001-02   | FY 2002-03             | FY 2002-03  |
|--|--------------|-------------|-------------|-------------|-------------|-------------|------------------------|-------------|
|  | COMM. HEALTH | EXECUTIVE   | SENATE      | HOUSE       | ENROLLED    | FY 2002-03  | Contingent             |             |
| FY 2002-03   | YEAR-TO-DATE | RECOMMEND.  | RECOMMEND.  | RECOMMEND.  | BILL        | VETOES      | Appropriations         | FY 2002-03  |
| P.A. 519 of 2002 (S.B. 1101)   | 7-Feb-02     | 7-Feb-02    | 20-Mar-02   | 23-May-02   | 27-Jun-02   | 25-Jul-02   | (Sec. 263, 1645, 1714) | ENACTED     |
| DEPARTMENT OF COMMUNITY HEALTH   |              |             |             |             |             |             |                        |             |
| <b>Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES</b>                          |              |             |             |             |             |             |                        |             |
| Full-time equated classified positions   | 88.8         | 84.0        | 84.0        | 84.0        | 84.0        | 0.0         | 0.0                    | 84.0        |
| Abstinence and pregnancy prevention program  | 0            | 9,146,100   | 0           | 0           | 0           | 0           | 0                      | 0           |
| Adolescent and child health care services  | 942,300      | 0           | 3,742,300   | 5,242,300   | 0           | 0           | 0                      | 0           |
| Childhood lead program--* FTE positions  | 1,408,200    | 1,412,200   | 1,412,200   | 1,412,200   | 1,412,200   | 0           | 0                      | 1,412,200   |
| * positions in above line  | 5.0          | 5.0         | 5.0         | 5.0         | 5.0         | 0.0         | 0.0                    | 5.0         |
| Children's waiver home care program  | 22,828,400   | 22,828,400  | 23,969,800  | 23,969,900  | 22,828,400  | 0           | 0                      | 22,828,400  |
| Community living, children, and families administration--* positions in above line | 7,776,700    | 7,285,100   | 7,285,100   | 7,285,100   | 7,285,100   | 0           | 0                      | 7,285,100   |
| Dental programs  | 73.3         | 68.5        | 68.5        | 68.5        | 68.5        | 0.0         | 0.0                    | 68.5        |
| Dental program for persons with developmental disabilities                         | 510,400      | 510,400     | 510,400     | 510,400     | 510,400     | 0           | 0                      | 510,400     |
| Early childhood collaborative secondary prevention                                 | 151,000      | 151,000     | 151,000     | 151,000     | 151,000     | 0           | 0                      | 151,000     |
| Family planning local agreements   | 0            | 0           | 1,000,000   | 1,250,000   | 0           | 0           | 0                      | 0           |
| Family support subsidy   | 8,393,900    | 8,393,900   | 8,393,900   | 8,393,900   | 8,393,900   | 0           | 0                      | 8,393,900   |
| Housing and support services--* FTE positions                                      | 14,563,500   | 14,737,100  | 15,474,000  | 15,474,100  | 14,737,100  | 0           | 0                      | 14,737,100  |
| * positions in above line  | 5,032,900    | 5,579,300   | 5,579,300   | 5,579,300   | 5,579,300   | 0           | 0                      | 5,579,300   |
| Local MCH services   | 1.0          | 1.0         | 1.0         | 1.0         | 1.0         | 0.0         | 0.0                    | 1.0         |
| Medicaid outreach and service delivery support                                     | 9,050,200    | 15,050,200  | 15,050,200  | 18,050,200  | 13,050,200  | 0           | 0                      | 13,050,200  |
| Migrant health care  | 8,488,600    | 6,488,600   | 6,488,600   | 6,488,600   | 6,488,600   | 0           | 0                      | 6,488,600   |
| Newborn screening follow-up and treatment services                                 | 200,000      | 200,000     | 200,000     | 200,000     | 200,000     | 0           | 0                      | 200,000     |
| Omnibus budget reconciliation act implementation--* FTE positions in above line    | 2,428,000    | 2,428,000   | 2,428,000   | 2,428,000   | 2,428,000   | 0           | 0                      | 2,428,000   |
| Pediatric AIDS prevention and control  | 12,769,400   | 12,770,500  | 12,770,500  | 12,770,500  | 12,770,500  | 0           | 0                      | 12,770,500  |
| Pregnancy prevention program   | 9.0          | 9.0         | 9.0         | 9.0         | 9.0         | 0.0         | 0.0                    | 9.0         |
| Prenatal care outreach and service delivery support                                | 1,026,300    | 1,026,300   | 1,026,300   | 1,026,300   | 1,026,300   | 0           | 0                      | 1,026,300   |
| Southwest community partnership  | 7,196,100    | 0           | 6,346,100   | 7,196,100   | 2,851,100   | 0           | 3,495,000              | 6,346,100   |
| Special projects--* FTE positions  | 4,299,300    | 4,299,300   | 4,299,300   | 4,299,300   | 4,299,300   | 0           | 0                      | 4,299,300   |
| * positions in above line  | 1,547,300    | 1,547,300   | 1,547,300   | 1,547,300   | 1,547,300   | 0           | 0                      | 1,547,300   |
| Sudden infant death syndrome program   | 5,009,000    | 2,532,500   | 6,582,500   | 6,952,500   | 6,337,500   | (1,100,000) | 195,000                | 5,432,500   |
| GROSS APPROPRIATION  | 0.5          | 0.5         | 0.5         | 0.5         | 0.5         | 0.0         | 0.0                    | 0.5         |
| Appropriated from:   | 321,300      | 321,300     | 321,300     | 521,300     | 321,300     | 0           | 0                      | 321,300     |
| Federal revenues:  |              |             |             |             |             |             |                        |             |
| Total federal revenues   | 113,942,800  | 116,707,500 | 124,578,100 | 130,748,300 | 112,217,500 | (1,100,000) | 3,690,000              | 114,807,500 |
| Special revenue funds:   |              |             |             |             |             |             |                        |             |
| Total private revenues   | 72,345,300   | 73,009,800  | 74,379,300  | 74,379,500  | 73,009,800  | 0           | 0                      | 73,009,800  |
| Total other state restricted revenues  | 261,100      | 261,100     | 261,100     | 261,100     | 261,100     | 0           | 0                      | 261,100     |
| State general fund/general purpose   | 7,203,100    | 12,990,000  | 12,990,000  | 12,990,000  | 8,490,000   | (1,100,000) | 0                      | 7,390,000   |
|  | 34,133,300   | 30,446,600  | 36,947,700  | 43,117,700  | 30,456,600  | 0           | 3,690,000              | 34,146,600  |

|   |                    | FY 2002-03         | FY 2002-03         | FY 2002-03           | FY 2002-03       | FY 2002-03         |
|---|--------------------|--------------------|--------------------|----------------------|------------------|--------------------|
|   |                    | Executive          | Transfers to       | Transfers to         | Supplemental     | FY 2002-03         |
| FY 2002-03  | FY 2002-03         | Order              | Execute EO 2002-22 | Execute PA 519       | Appropriations   | YTD                |
| P.A. 519 of 2002 (S.B. 1101)                              | ENACTED            | 2002-22            | Budgetary Savings  | Budg Svgs, Early Ret | PA 746 of 2002   | Appropriations     |
| DEPARTMENT OF COMMUNITY HEALTH                            | 25-Jul-02          | 5-Dec-02           | 12-Dec-02          | 12-Dec-02            | 30-Dec-02        | 30-Dec-02          |
| <b>Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES</b> |                    |                    |                    |                      |                  |                    |
| Full-time equated classified positions                    | 84.0               | 0.0                | 0.0                | 0.0                  | 0.0              | 84.0               |
| Abstinence and pregnancy prevention program               | 0                  | 0                  | 0                  | 0                    | 0                | 0                  |
| Adolescent and child health care services                 | 0                  | 0                  | 0                  | 0                    | 0                | 0                  |
| Childhood lead program--* FTE positions                   | 1,412,200          | 0                  | 0                  | 0                    | 0                | 1,412,200          |
| * positions in above line                                 | 5.0                | 0.0                | 0.0                | 0.0                  | 0.0              | 5.0                |
| Children's waiver home care program                       | 22,828,400         | 0                  | 0                  | (1,446,200)          | 0                | 21,382,200         |
| Community living, children, and families administration-  | 7,285,100          | 0                  | 0                  | (104,200)            | 0                | 7,180,900          |
| * positions in above line                                 | 68.5               | 0.0                | 0.0                | 0.0                  | 0.0              | 68.5               |
| Dental programs   | 510,400            | 0                  | 0                  | 0                    | 0                | 510,400            |
| Dental program for persons with developmental disabili    | 151,000            | 0                  | 0                  | 0                    | 0                | 151,000            |
| Early childhood collaborative secondary prevention        | 0                  | 0                  | 0                  | 0                    | 0                | 0                  |
| Family planning local agreements                          | 8,393,900          | 0                  | 0                  | 0                    | 0                | 8,393,900          |
| Family support subsidy                                    | 14,737,100         | 0                  | 0                  | 0                    | 0                | 14,737,100         |
| Housing and support services--* FTE positions             | 5,579,300          | 0                  | 0                  | 0                    | 0                | 5,579,300          |
| * positions in above line                                 | 1.0                | 0.0                | 0.0                | 0.0                  | 0.0              | 1.0                |
| Local MCH services  | 13,050,200         | (2,985,100)        | 0                  | 0                    | 2,985,100        | 13,050,200         |
| Medicaid outreach and service delivery support            | 6,488,600          | 0                  | 0                  | (2,162,900)          | 0                | 4,325,700          |
| Migrant health care                                       | 200,000            | 0                  | 0                  | 0                    | 0                | 200,000            |
| Newborn screening follow-up and treatment services        | 2,428,000          | 0                  | 0                  | 0                    | 0                | 2,428,000          |
| Omnibus budget reconciliation act implementation--* FT    | 12,770,500         | 0                  | 0                  | 0                    | 0                | 12,770,500         |
| * positions in above line                                 | 9.0                | 0.0                | 0.0                | 0.0                  | 0.0              | 9.0                |
| Pediatric AIDS prevention and control                     | 1,026,300          | 0                  | 0                  | 0                    | 0                | 1,026,300          |
| Pregnancy prevention program                              | 6,346,100          | 0                  | (500,000)          | 0                    | 0                | 5,846,100          |
| Prenatal care outreach and service delivery support       | 4,299,300          | 0                  | 0                  | 0                    | 0                | 4,299,300          |
| Southwest community partnership                           | 1,547,300          | 0                  | 0                  | 0                    | 0                | 1,547,300          |
| Special projects--* FTE positions                         | 5,432,500          | 0                  | 0                  | (550,000)            | 0                | 4,882,500          |
| * positions in above line                                 | 0.5                | 0.0                | 0.0                | 0.0                  | 0.0              | 0.5                |
| Sudden infant death syndrome program                      | 321,300            | 0                  | 0                  | 0                    | 0                | 321,300            |
| <b>GROSS APPROPRIATION</b>                                | <b>114,807,500</b> | <b>(2,985,100)</b> | <b>(500,000)</b>   | <b>(4,263,300)</b>   | <b>2,985,100</b> | <b>110,044,200</b> |
| Appropriated from:  |                    |                    |                    |                      |                  |                    |
| Federal revenues:   |                    |                    |                    |                      |                  |                    |
| Total federal revenues                                    | 73,009,800         | 0                  | 0                  | 0                    | 2,985,100        | 75,994,900         |
| Special revenue funds:                                    |                    |                    |                    |                      |                  |                    |
| Total private revenues                                    | 261,100            | 0                  | 0                  | 0                    | 0                | 261,100            |
| Total other state restricted revenues                     | 7,390,000          | 0                  | 0                  | (100,000)            | 0                | 7,290,000          |
| State general fund/general purpose                        | 34,146,600         | (2,985,100)        | (500,000)          | (4,163,300)          | 0                | 26,498,200         |

**WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS**

The Women, Infants, and Children Program Administration and Special Projects line item receives employee-related economic increases of \$43,000 Gross (\$0 GF/GP) for a 2% salary and wage adjustment, and \$9,100 Gross (\$0 GF/GP) for defined contribution retirement costs. The line item is reduced by \$4,000 Gross (\$0 GF/GP) for defined benefit retirement costs. The line item is reduced by \$16,100 Gross (\$0 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$514,000 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is reduced by \$5,800 Gross (\$0 GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. The line item is increased by \$132,800 Gross (\$0 GF/GP) in federal funding authorization for the following adjustments: a \$75,000 reduction to reflect WIC Infrastructure Appointment Scheduling grant funds which will no longer be received, a \$57,800 increase for the WIC Farmers Market Nutrition Program - Project FRESH, and a \$150,000 increase for a new Seniors Farmers Market Nutrition Pilot Program for low-income seniors. The line item is increased by \$100,000 Gross (\$0 GF/GP) to reflect an increase in projected funds from private sources as matching funds for the federal Farmers Market Nutrition Program grant.

There are no changes to the Women, Infants, and Children Program Local Agreements and Food Costs line item.

|   | FY 2001-02         | FY 2002-03         | FY 2002-03         | FY 2002-03         | FY 2002-03         |            | FY 2002-03             |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|------------|------------------------|--------------------|
|   | COMM. HEALTH       | EXECUTIVE          | SENATE             | HOUSE              | ENROLLED           |            | Contingent             |                    |
| FY 2002-03  | YEAR-TO-DATE       | RECOMMEND.         | RECOMMEND.         | RECOMMEND.         | BILL               | FY 2002-03 | Appropriations         | FY 2002-03         |
| P.A. 519 of 2002 (S.B. 1101)  | 7-Feb-02           | 7-Feb-02           | 20-Mar-02          | 23-May-02          | 27-Jun-02          | VETOES     | (Sec. 263, 1645, 1714) | ENACTED            |
| DEPARTMENT OF COMMUNITY HEALTH  | 7-Feb-02           | 7-Feb-02           | 20-Mar-02          | 23-May-02          | 27-Jun-02          | 25-Jul-02  | 25-Jul-02              | 25-Jul-02          |
| <b>Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS</b> |                    |                    |                    |                    |                    |            |                        |                    |
| Full-time equated classified positions                                    | 42.0               | 42.0               | 42.0               | 42.0               | 42.0               | 0.0        | 0.0                    | 42.0               |
| Women, infants, and children program administration and                   | 5,206,300          | 4,951,300          | 4,951,300          | 4,951,300          | 4,951,300          | 0          | 0                      | 4,951,300          |
| * positions in above line   | 42.0               | 42.0               | 42.0               | 42.0               | 42.0               | 0.0        | 0.0                    | 42.0               |
| Women, infants, and children program local agreement                      | 164,311,000        | 164,311,000        | 164,311,000        | 164,311,000        | 164,311,000        | 0          | 0                      | 164,311,000        |
| <b>GROSS APPROPRIATION</b>  | <b>169,517,300</b> | <b>169,262,300</b> | <b>169,262,300</b> | <b>169,262,300</b> | <b>169,262,300</b> | <b>0</b>   | <b>0</b>               | <b>169,262,300</b> |
| Appropriated from:  |                    |                    |                    |                    |                    |            |                        |                    |
| Federal revenues:   |                    |                    |                    |                    |                    |            |                        |                    |
| Total federal revenues  | 121,741,400        | 121,386,400        | 121,386,400        | 121,386,400        | 121,386,400        | 0          | 0                      | 121,386,400        |
| Special revenue funds:  |                    |                    |                    |                    |                    |            |                        |                    |
| Total private revenues  | 47,775,900         | 47,875,900         | 47,875,900         | 47,875,900         | 47,875,900         | 0          | 0                      | 47,875,900         |
| State general fund/general purpose  | 0                  | 0                  | 0                  | 0                  | 0                  | 0          | 0                      | 0                  |

|   |                    | FY 2002-03         |
|---|--------------------|--------------------|
| FY 2002-03  | FY 2002-03         | YTD                |
| P.A. 519 of 2002 (S.B. 1101)  | ENACTED            | Appropriations     |
| DEPARTMENT OF COMMUNITY HEALTH  | 25-Jul-02          | 30-Dec-02          |
| <b>Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS</b> |                    |                    |
| Full-time equated classified positions                                    | 42.0               | 42.0               |
| Women, infants, and children program administration and                   | 4,951,300          | 4,951,300          |
| * positions in above line   | 42.0               | 42.0               |
| Women, infants, and children program local agreement                      | 164,311,000        | 164,311,000        |
| <b>GROSS APPROPRIATION</b>  | <b>169,262,300</b> | <b>169,262,300</b> |
| Appropriated from:  |                    |                    |
| Federal revenues:   |                    |                    |
| Total federal revenues  | 121,386,400        | 121,386,400        |
| Special revenue funds:  |                    |                    |
| Total private revenues  | 47,875,900         | 47,875,900         |
| State general fund/general purpose  | 0                  | 0                  |

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

The Children's Special Health Care Services Administration line item is reduced by \$298,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings measures taken by the Department. Sick leave payouts of \$15,400 Gross (\$9,100 GF/GP) associated with the final year costs of the 1997 early retirement program are removed from the line. \$14,900 Gross (\$9,400 GF/GP) is transferred to the new Information Technology unit. Economic increases of \$73,700 Gross (\$41,000 GF/GP) are provided for staff salary and wages, insurance and retirement plan costs. The GF/GP portion of the economic increase is offset by a reduction of \$52,100 Gross (\$41,000 GF/GP) attributable to elimination of annual lump sum payments and other staff costs.

There are no appropriation changes to the Amputee Program line item.

There are no appropriation changes to the Bequests for Care and Services line item.

There are no appropriation changes to the Case Management Services line item.

There are no appropriation changes to the Conveyor Contract line item. A 5% rate increase supported by both the Senate and the House was eliminated by the Conference Committee.

Federal funds in the Medical Care and Treatment line item are reduced by \$845,600 while GF/GP revenues are increased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.36% to 55.42%. The line was increased by \$33,351,000 Gross (\$18,366,500 GF/GP) for anticipated inflation, caseload, and utilization growth in the coming year by the Conference Committee, significantly above the \$9,769,000 Gross (\$6,434,200 GF/GP) in the Executive, Senate and House recommendations. The 5% provider rate increase adopted by the House and the Senate with a projected cost of \$6,400,900 Gross (\$3,328,500 GF/GP) was eliminated by the Conference Committee.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Actions approved through Legislative transfers on December 12, 2002 to help achieve the Early Retirement Savings in Public Act 519 of 2002 reduced Children's Special Health Care Services funding by \$92,900 GF/GP.

## **FY 2001-02 SUPPLEMENTAL ACTIONS**

### **PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 530 increases the FY 2001-02 Medical Care and Treatment line item appropriation by \$28,951,000 Gross and \$6,866,800 GF/GP to recognize the caseload and utilization increase in the Children's Special Health Care Services program.

|   | FY 2001-02         | FY 2002-03         | FY 2002-03         | FY 2002-03         | FY 2002-03         |            | FY 2002-03             |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|------------|------------------------|--------------------|
| FY 2002-03  | COMM. HEALTH       | EXECUTIVE          | SENATE             | HOUSE              | ENROLLED           | FY 2002-03 | Contingent             | FY 2002-03         |
| P.A. 519 of 2002 (S.B. 1101)                              | YEAR-TO-DATE       | RECOMMEND.         | RECOMMEND.         | RECOMMEND.         | BILL               | VETOES     | Appropriations         | ENACTED            |
| DEPARTMENT OF COMMUNITY HEALTH                            | 7-Feb-02           | 7-Feb-02           | 20-Mar-02          | 23-May-02          | 27-Jun-02          | 25-Jul-02  | (Sec. 263, 1645, 1714) | 25-Jul-02          |
| <b>Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>  |                    |                    |                    |                    |                    |            |                        |                    |
| Full-time equated classified positions                    | 66.6               | 66.6               | 66.6               | 66.6               | 66.6               | 0.0        | 0.0                    | 66.6               |
| Children's special health care services administration--* | 5,365,200          | 5,058,500          | 5,058,500          | 5,058,500          | 5,058,500          | 0          | 0                      | 5,058,500          |
| * positions in above line                                 | 66.6               | 66.6               | 66.6               | 66.6               | 66.6               | 0.0        | 0.0                    | 66.6               |
| Amputee program   | 184,600            | 184,600            | 184,600            | 184,600            | 184,600            | 0          | 0                      | 184,600            |
| Bequests for care and services                            | 1,579,600          | 1,579,600          | 1,579,600          | 1,579,600          | 1,579,600          | 0          | 0                      | 1,579,600          |
| Case management services                                  | 3,923,500          | 3,923,500          | 3,923,500          | 3,923,500          | 3,923,500          | 0          | 0                      | 3,923,500          |
| Conveyor contract   | 559,100            | 559,100            | 587,100            | 587,200            | 559,100            | 0          | 0                      | 559,100            |
| Medical care and treatment                                | 118,249,000        | 128,018,000        | 134,418,900        | 134,419,000        | 151,600,000        | 0          | 0                      | 151,600,000        |
| <b>GROSS APPROPRIATION</b>                                | <b>129,861,000</b> | <b>139,323,300</b> | <b>145,752,200</b> | <b>145,752,400</b> | <b>162,905,300</b> | <b>0</b>   | <b>0</b>               | <b>162,905,300</b> |
| Appropriated from:  |                    |                    |                    |                    |                    |            |                        |                    |
| Federal revenues:   |                    |                    |                    |                    |                    |            |                        |                    |
| Total federal revenues                                    | 63,836,700         | 66,335,700         | 69,408,100         | 69,408,300         | 77,985,400         | 0          | 0                      | 77,985,400         |
| Special revenue funds:                                    |                    |                    |                    |                    |                    |            |                        |                    |
| Total private revenues                                    | 750,000            | 750,000            | 750,000            | 750,000            | 750,000            | 0          | 0                      | 750,000            |
| Total other state restricted revenues                     | 650,000            | 650,000            | 650,000            | 650,000            | 650,000            | 0          | 0                      | 650,000            |
| State general fund/general purpose                        | 64,624,300         | 71,587,600         | 74,944,100         | 74,944,100         | 83,519,900         | 0          | 0                      | 83,519,900         |

|   |             | FY 2002-03            |                |
|---|-------------|-----------------------|----------------|
|   |             | Transfers to          | FY 2002-03     |
| FY 2002-03  | FY 2002-03  | Execute PA 519        | YTD            |
| P.A. 519 of 2002 (S.B. 1101)                              | ENACTED     | Budg Svgs, Early Ret. | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH                            | 25-Jul-02   | 12-Dec-02             | 30-Dec-02      |
| <b>Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>  |             |                       |                |
| Full-time equated classified positions                    | 66.6        | 0.0                   | 66.6           |
| Children's special health care services administration--* | 5,058,500   | (92,900)              | 4,965,600      |
| * positions in above line                                 | 66.6        | 0.0                   | 66.6           |
| Amputee program   | 184,600     | 0                     | 184,600        |
| Bequests for care and services                            | 1,579,600   | 0                     | 1,579,600      |
| Case management services                                  | 3,923,500   | 0                     | 3,923,500      |
| Conveyor contract   | 559,100     | 0                     | 559,100        |
| Medical care and treatment                                | 151,600,000 | 0                     | 151,600,000    |
| GROSS APPROPRIATION                                       | 162,905,300 | (92,900)              | 162,812,400    |
| Appropriated from:  |             |                       |                |
| Federal revenues:   |             |                       |                |
| Total federal revenues                                    | 77,985,400  | 0                     | 77,985,400     |
| Special revenue funds:                                    |             |                       |                |
| Total private revenues                                    | 750,000     | 0                     | 750,000        |
| Total other state restricted revenues                     | 650,000     | 0                     | 650,000        |
| State general fund/general purpose                        | 83,519,900  | (92,900)              | 83,427,000     |

**OFFICE OF DRUG CONTROL  
POLICY**

## **OFFICE OF DRUG CONTROL POLICY**

The Drug Control Policy line item receives employee-related economic increases of \$19,000 Gross (\$3,800 GF/GP) for a 2% salary and wage adjustment, and \$5,900 Gross (\$1,200 GF/GP) for defined contribution retirement costs. The line item is reduced by \$1,800 Gross (\$400 GF/GP) for defined benefit retirement costs. A reduction of \$3,500 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$5,600 Gross (\$1,100 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$5,400 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. Net \$0 Gross (\$0 GF/GP) federal funds adjustments are made to reflect actual federal funding anticipated with an authorization increase to the Byrne Formula Drug Control grant of \$310,700, and authorization reductions to the following: \$38,700 of Safe and Drug-Free Schools Governor's Discretionary grant funds, \$252,000 of Local Law Enforcement grant funds, and \$20,000 of Juvenile Intervention grant funds.

There are no changes to the Anti-Drug Abuse Grants line item.

|  | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03             |            |
|--|--------------|------------|------------|------------|------------|------------|------------------------|------------|
|  |              |            |            |            |            |            | Contingent             |            |
| FY 2002-03                                     | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Appropriations         | FY 2002-03 |
| P.A. 519 of 2002 (S.B. 1101)                   | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | (Sec. 263, 1645, 1714) | ENACTED    |
| DEPARTMENT OF COMMUNITY HEALTH                 | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | 25-Jul-02              | 25-Jul-02  |
| <b>Sec. 115. OFFICE OF DRUG CONTROL POLICY</b> |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions         | 17.0         | 17.0       | 17.0       | 17.0       | 17.0       | 0.0        | 0.0                    | 17.0       |
| Drug control policy--* FTE positions           | 1,964,800    | 1,973,400  | 1,973,400  | 1,973,400  | 1,973,400  | 0          | 0                      | 1,973,400  |
| * positions in above line                      | 17.0         | 17.0       | 17.0       | 17.0       | 17.0       | 0.0        | 0.0                    | 17.0       |
| Anti-drug abuse grants                         | 28,659,200   | 28,659,200 | 28,659,200 | 28,659,200 | 28,659,200 | 0          | 0                      | 28,659,200 |
| GROSS APPROPRIATION                            | 30,624,000   | 30,632,600 | 30,632,600 | 30,632,600 | 30,632,600 | 0          | 0                      | 30,632,600 |
| Appropriated from:                             |              |            |            |            |            |            |                        |            |
| Federal revenues:                              |              |            |            |            |            |            |                        |            |
| Total federal revenues                         | 30,238,000   | 30,246,600 | 30,246,600 | 30,246,600 | 30,246,600 | 0          | 0                      | 30,246,600 |
| State general fund/general purpose             | 386,000      | 386,000    | 386,000    | 386,000    | 386,000    | 0          | 0                      | 386,000    |

|  |            | FY 2002-03     |
|--|------------|----------------|
| FY 2002-03                                     | FY 2002-03 | YTD            |
| P.A. 519 of 2002 (S.B. 1101)                   | ENACTED    | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH                 | 25-Jul-02  | 30-Dec-02      |
| <b>Sec. 115. OFFICE OF DRUG CONTROL POLICY</b> |            |                |
| Full-time equated classified positions         | 17.0       | 17.0           |
| Drug control policy--* FTE positions           | 1,973,400  | 1,973,400      |
| * positions in above line                      | 17.0       | 17.0           |
| Anti-drug abuse grants                         | 28,659,200 | 28,659,200     |
| GROSS APPROPRIATION                            | 30,632,600 | 30,632,600     |
| Appropriated from:                             |            |                |
| Federal revenues:                              |            |                |
| Total federal revenues                         | 30,246,600 | 30,246,600     |
| State general fund/general purpose             | 386,000    | 386,000        |

**CRIME VICTIM  
SERVICES COMMISSION**

## **CRIME VICTIM SERVICES COMMISSION**

The Grants Administration Services line item receives employee-related economic increases of \$9,200 Gross (\$7,100 GF/GP) for a 2% salary and wage adjustment, and \$10,800 Gross (\$8,300 GF/GP) for defined contribution retirement costs. A reduction of \$12,400 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$3,400 Gross (\$3,000 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. Funds totaling \$212,300 Gross (\$1,900 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item. The line item is increased by \$66,500 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies for increased administrative support associated with the State Integrated Grant Management Application (SIGMA) used to receive crime victim assistance local grant applications and to track grant awardees. The line item is increased by \$19,400 Gross (\$0 GF/GP) to recognize an increase in federal Victims of Crime Act funding for administrative costs associated with victim compensation claims, based on a change in the federal funding formula.

There are no changes to the Justice Assistance Grants line item.

The Crime Victim Rights Services Grants line item has a net \$0 Gross (\$0 GF/GP) fund adjustment by the replacement of \$200,000 of state restricted Crime Victim's Rights Fund monies with federal Victims of Crime Act funding for victim compensation made available by a FY 2001-02 change in the federal funding formula. Funds totaling \$750,000 Gross (\$0 GF/GP) are transferred from this line item to a new Information Technology appropriation unit and line item.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Grants Administration Services line item is reduced by \$80,000 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in P. A. 519 of 2002, and approved as a legislative transfer on December 12, 2002.

|   | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03             |            |
|---|--------------|------------|------------|------------|------------|------------|------------------------|------------|
|   |              |            |            |            |            |            | Contingent             |            |
| FY 2002-03  | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Appropriations         | FY 2002-03 |
| P.A. 519 of 2002 (S.B. 1101)                      | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | (Sec. 263, 1645, 1714) | ENACTED    |
| DEPARTMENT OF COMMUNITY HEALTH                    | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | 25-Jul-02              | 25-Jul-02  |
| <b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b> |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions            | 9.0          | 9.0        | 9.0        | 9.0        | 9.0        | 0.0        | 0.0                    | 9.0        |
| Grants administration services--* FTE positions   | 1,162,700    | 1,040,500  | 1,040,500  | 1,040,500  | 1,040,500  | 0          | 0                      | 1,040,500  |
| * positions in above line                         | 9.0          | 9.0        | 9.0        | 9.0        | 9.0        | 0.0        | 0.0                    | 9.0        |
| Justice assistance grants                         | 15,000,000   | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 0          | 0                      | 15,000,000 |
| Crime victim rights services grants               | 8,405,300    | 7,655,300  | 7,655,300  | 7,655,300  | 7,655,300  | 0          | 0                      | 7,655,300  |
| GROSS APPROPRIATION                               | 24,568,000   | 23,695,800 | 23,695,800 | 23,695,800 | 23,695,800 | 0          | 0                      | 23,695,800 |
| Appropriated from:                                |              |            |            |            |            |            |                        |            |
| Federal revenues:                                 |              |            |            |            |            |            |                        |            |
| Total federal revenues                            | 15,841,400   | 15,939,900 | 15,939,900 | 15,939,900 | 15,939,900 | 0          | 0                      | 15,939,900 |
| Special revenue funds:                            |              |            |            |            |            |            |                        |            |
| Total other state restricted revenues             | 8,209,700    | 7,240,900  | 7,240,900  | 7,240,900  | 7,240,900  | 0          | 0                      | 7,240,900  |
| State general fund/general purpose                | 516,900      | 515,000    | 515,000    | 515,000    | 515,000    | 0          | 0                      | 515,000    |

|   |                   | FY 2002-03            |                   |
|---|-------------------|-----------------------|-------------------|
|   |                   | Transfers to          | FY 2002-03        |
| FY 2002-03  | FY 2002-03        | Execute PA 519        | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                      | ENACTED           | Budg Svgs, Early Ret. | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                    | 25-Jul-02         | 12-Dec-02             | 30-Dec-02         |
| <b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b> |                   |                       |                   |
| Full-time equated classified positions            | 9.0               | 0.0                   | 9.0               |
| Grants administration services--* FTE positions   | 1,040,500         | (80,000)              | 960,500           |
| * positions in above line                         | 9.0               | 0.0                   | 9.0               |
| Justice assistance grants                         | 15,000,000        | 0                     | 15,000,000        |
| Crime victim rights services grants               | 7,655,300         | 0                     | 7,655,300         |
|   |                   |                       |                   |
| <b>GROSS APPROPRIATION</b>                        | <b>23,695,800</b> | <b>(80,000)</b>       | <b>23,615,800</b> |
| Appropriated from:                                |                   |                       |                   |
| Federal revenues:                                 |                   |                       |                   |
| Total federal revenues                            | 15,939,900        | 0                     | 15,939,900        |
| Special revenue funds:                            |                   |                       |                   |
| Total other state restricted revenues             | 7,240,900         | 0                     | 7,240,900         |
|   |                   |                       |                   |
| State general fund/general purpose                | 515,000           | (80,000)              | 435,000           |

**OFFICE OF SERVICES  
TO THE AGING**

## **OFFICE OF SERVICES TO THE AGING**

There are no changes to the Commission (Per Diem \$50.00) line item.

There are no changes to the Long-Term Care Advisor line item.

The Office of Services to Aging Administration line item receives employee-related economic increases of \$39,000 Gross (\$14,000 GF/GP) for a 2% salary and wage adjustment, and \$3,400 Gross (\$1,200 GF/GP) for defined contribution retirement costs. The line item is reduced by \$20,100 Gross (\$7,200 GF/GP) for defined benefit retirement costs. A reduction of \$3,200 Gross (all GF/GP) is made to the line item to offset the additional costs of employee-related economic increases. The line item is reduced by \$13,500 Gross (\$4,800 GF/GP), eliminating the funding associated with an annual lump sum payment of \$375 to employees. The line item is reduced by \$5,900 Gross (all GF/GP), removing funding associated with the completed 5-year sick leave payout to employees participating in the 1997 early retirement program. The line item is reduced by \$10,300 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item by the Department with a 0.5% GF/GP funding reduction (the actual FY 2001-02 budgetary savings taken in that fiscal year was \$15,300, approved as a year-end legislative transfer on November 13, 2002). The line item is increased by \$74,000 Gross (\$59,200 GF/GP) and 1.0 FTE with the transfer of a financial analyst position from the Departmental Administration and Management line item. The line item is reduced by \$125,000 Gross (\$0 GF/GP) with the elimination of all private funds revenue authorization for this line item as private funding is not currently a source of revenue.

The Community Services line item is increased by \$1,891,000 Gross (\$0 GF/GP) in federal funding authorization to reflect adjustments in federal funds anticipated from the following grants for services to seniors: increases of \$1,119,800 for supportive services, \$105,600 for preventive health, \$1,651,700 for national family caregiver, \$20,000 for elder abuse services, and a reduction of \$1,006,100 in "Other Federal" funding authorization. The line item is reduced by \$79,500 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item by the Department with a 0.5% GF/GP funding reduction.

The Nutrition Services line item is increased by \$487,000 Gross (\$0 GF/GP) in federal funding authorization in anticipation of \$287,000 in additional Title III funds for congregate meals and home-delivered meals and an additional \$200,000 from U.S. Department of Agriculture Commodities grant for food. The line item is reduced by \$58,700 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item by the Department with a 0.5% GF/GP funding reduction.

The Senior Volunteer Services line item is reduced by \$30,000 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item by the Department with a 0.5% GF/GP funding reduction.

The Senior Citizen Centers Staffing and Equipment line item is reduced by \$10,700 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings obtained from this line item by the Department with a 0.5% GF/GP funding reduction (the actual FY 2001-02 budgetary savings taken in that fiscal year was \$5,700, approved as a year-end legislative transfer on November 13, 2002).

The Employment Assistance line item is increased by \$48,300 Gross (\$0 GF/GP) in federal funding authorization to reflect additional federal Senior Employment Assistance grant funds available for the Senior Community Service Employment Program.

There are no changes to the Respite Care Program line item.

#### **FY 2002-03 SUPPLEMENTAL ACTIONS**

##### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

The Long-Term Care Advisor line item is reduced by \$608,800 Gross (\$0 GF/GP) of state restricted tobacco settlement revenue to replace GF/GP funds removed from the Long-Term Care Services line item in order to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The reduction eliminates funding for this line item for the remainder of the fiscal year.

The Office of Services to Aging Administration line item is reduced by \$89,500 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 4.3% reduction of GF/GP funding for this line item.

The Community Services line item is reduced by \$170,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 1.1% reduction of GF/GP funding for this line item.

The Nutrition Services line item is reduced by \$409,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 3.5% reduction of GF/GP funding for this line item.

The Senior Volunteer Services line item is reduced by \$208,900 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 3.5% reduction of funding for this program.

The Senior Citizen Centers Staffing and Equipment line item is reduced by \$39,500 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Executive Order 2002-22, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 3.5% reduction of funding for this program.

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

The Office of Services to Aging Administration line item is reduced by \$95,600 Gross (all GF/GP) to reflect early retirement savings obtained from the 2002 early retirement program, as identified in Gross for the Department in P. A. 519 of 2002, and approved as a legislative transfer on December 12, 2002.

The Community Services line item is reduced by \$367,000 Gross (all GF/GP) to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The savings are obtained by a 2.3% reduction of GF/GP funding for this line item.

The Nutrition Services line item is reduced by \$333,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds to replace GF/GP funds removed from the Long-Term Care Services line item in order to achieve budgetary savings for the Department as directed by Public Act 519 of 2002, and approved as a legislative transfer on December 12, 2002. The \$333,000 reduction eliminates Healthy Michigan Funds appropriated to the line item for the remainder of the fiscal year.

## **FY 2001-02 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2001-9**

The November 2001 Executive Order reduces the FY 2001-02 Long-Term Care Advisor line item appropriation by \$2,285,000 Gross (\$0 GF/GP). This eliminates 75% of the program funding. The savings, from tobacco settlement revenue, are lapsed to the General Fund.

The November 2001 Executive Order reduces the FY 2001-02 Senior Citizen Centers Staffing and Equipment line item appropriation by \$1,000,000 Gross (all GF/GP). This eliminates funding established in FY 1999-2000 for improvements to senior center facilities and equipment.

|  | FY 2001-02        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03        | FY 2002-03 | FY 2002-03             | FY 2002-03        |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|------------|------------------------|-------------------|
|  | COMM. HEALTH      | EXECUTIVE         | SENATE            | HOUSE             | ENROLLED          | FY 2002-03 | Contingent             | FY 2002-03        |
| FY 2002-03   | YEAR-TO-DATE      | RECOMMEND.        | RECOMMEND.        | RECOMMEND.        | BILL              | VETOES     | Appropriations         | ENACTED           |
| P.A. 519 of 2002 (S.B. 1101)                               | 7-Feb-02          | 7-Feb-02          | 20-Mar-02         | 23-May-02         | 27-Jun-02         | 25-Jul-02  | (Sec. 263, 1645, 1714) | 25-Jul-02         |
| DEPARTMENT OF COMMUNITY HEALTH                             |                   |                   |                   |                   |                   |            |                        |                   |
| <b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>           |                   |                   |                   |                   |                   |            |                        |                   |
| Full-time equated classified positions                     | 40.5              | 41.5              | 41.5              | 41.5              | 41.5              | 0.0        | 0.0                    | 41.5              |
| Commission (per diem \$50.00)                              | 10,500            | 10,500            | 10,500            | 10,500            | 10,500            | 0          | 0                      | 10,500            |
| Long-term care advisor--* FTE positions                    | 761,000           | 761,000           | 761,000           | 761,000           | 761,000           | 0          | 0                      | 761,000           |
| * positions in above line                                  | 3.0               | 3.0               | 3.0               | 3.0               | 3.0               | 0.0        | 0.0                    | 3.0               |
| Office of services to aging administration--* FTE position | 4,262,800         | 4,201,200         | 4,201,200         | 4,201,200         | 4,201,200         | 0          | 0                      | 4,201,200         |
| * positions in above line                                  | 37.5              | 38.5              | 38.5              | 38.5              | 38.5              | 0.0        | 0.0                    | 38.5              |
| Community services   | 32,778,400        | 34,589,900        | 34,589,900        | 34,589,900        | 34,589,900        | 0          | 0                      | 34,589,900        |
| Nutrition services   | 36,861,000        | 37,289,300        | 37,289,300        | 37,289,300        | 37,289,300        | 0          | 0                      | 37,289,300        |
| Senior volunteer services                                  | 6,000,000         | 5,970,000         | 6,268,500         | 6,268,600         | 5,970,000         | 0          | 0                      | 5,970,000         |
| Senior citizen centers staffing and equipment              | 1,140,700         | 1,130,000         | 1,130,000         | 1,630,000         | 1,130,000         | 0          | 0                      | 1,130,000         |
| Employment assistance                                      | 2,770,000         | 2,818,300         | 2,818,300         | 2,818,300         | 2,818,300         | 0          | 0                      | 2,818,300         |
| Respite care program                                       | 7,100,000         | 7,100,000         | 7,100,000         | 7,100,000         | 7,100,000         | 0          | 0                      | 7,100,000         |
| <b>GROSS APPROPRIATION</b>                                 | <b>91,684,400</b> | <b>93,870,200</b> | <b>94,168,700</b> | <b>94,668,800</b> | <b>93,870,200</b> | <b>0</b>   | <b>0</b>               | <b>93,870,200</b> |
| Appropriated from:   |                   |                   |                   |                   |                   |            |                        |                   |
| Federal revenues:  |                   |                   |                   |                   |                   |            |                        |                   |
| Total federal revenues                                     | 46,366,700        | 48,813,400        | 48,813,400        | 48,813,500        | 48,813,400        | 0          | 0                      | 48,813,400        |
| Special revenue funds:                                     |                   |                   |                   |                   |                   |            |                        |                   |
| Total private revenues                                     | 125,000           | 0                 | 0                 | 0                 | 0                 | 0          | 0                      | 0                 |
| Tobacco settlement revenue                                 | 5,761,000         | 5,761,000         | 5,761,000         | 5,761,000         | 5,761,000         | 0          | 0                      | 5,761,000         |
| Total other state restricted revenues                      | 2,600,000         | 2,600,000         | 2,600,000         | 2,600,000         | 2,600,000         | 0          | 0                      | 2,600,000         |
| State general fund/general purpose                         | 36,831,700        | 36,695,800        | 36,994,300        | 37,494,300        | 36,695,800        | 0          | 0                      | 36,695,800        |

|  |                   | FY 2002-03         | FY 2002-03           |                   |
|--|-------------------|--------------------|----------------------|-------------------|
|  |                   | Transfers to       | Transfers to         | FY 2002-03        |
| FY 2002-03   | FY 2002-03        | Execute EO 2002-22 | Execute PA 519       | YTD               |
| P.A. 519 of 2002 (S.B. 1101)                               | ENACTED           | Budgetary Savings  | Budg Svgs, Early Ret | Appropriations    |
| DEPARTMENT OF COMMUNITY HEALTH                             | 25-Jul-02         | 12-Dec-02          | 12-Dec-02            | 30-Dec-02         |
| <b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>           |                   |                    |                      |                   |
| Full-time equated classified positions                     | 41.5              | 0.0                | 0.0                  | 41.5              |
| Commission (per diem \$50.00)                              | 10,500            | 0                  | 0                    | 10,500            |
| Long-term care advisor--* FTE positions                    | 761,000           | (608,800)          | 0                    | 152,200           |
| * positions in above line                                  | 3.0               | 0.0                | 0.0                  | 3.0               |
| Office of services to aging administration--* FTE position | 4,201,200         | (89,500)           | (95,600)             | 4,016,100         |
| * positions in above line                                  | 38.5              | 0.0                | 0.0                  | 38.5              |
| Community services   | 34,589,900        | (170,000)          | (367,000)            | 34,052,900        |
| Nutrition services   | 37,289,300        | (409,000)          | (333,000)            | 36,547,300        |
| Senior volunteer services                                  | 5,970,000         | (208,900)          | 0                    | 5,761,100         |
| Senior citizen centers staffing and equipment              | 1,130,000         | (39,500)           | 0                    | 1,090,500         |
| Employment assistance                                      | 2,818,300         | 0                  | 0                    | 2,818,300         |
| Respite care program                                       | 7,100,000         | 0                  | 0                    | 7,100,000         |
|  |                   |                    |                      |                   |
| <b>GROSS APPROPRIATION</b>                                 | <b>93,870,200</b> | <b>(1,525,700)</b> | <b>(795,600)</b>     | <b>91,548,900</b> |
| Appropriated from:   |                   |                    |                      |                   |
| Federal revenues:  |                   |                    |                      |                   |
| Total federal revenues                                     | 48,813,400        | 0                  | 0                    | 48,813,400        |
| Special revenue funds:                                     |                   |                    |                      |                   |
| Total private revenues                                     | 0                 | 0                  | 0                    | 0                 |
| Tobacco settlement revenue                                 | 5,761,000         | (608,800)          | 0                    | 5,152,200         |
| Total other state restricted revenues                      | 2,600,000         | 0                  | (333,000)            | 2,267,000         |
|  |                   |                    |                      |                   |
| State general fund/general purpose                         | 36,695,800        | (916,900)          | (462,600)            | 35,316,300        |

# **MEDICAL SERVICES**

## **MEDICAL SERVICES ADMINISTRATION**

The Medical Services Administration line item is reduced by \$982,000 Gross (392,800 GF/GP) to reflect the FY 2001-02 budgetary savings measures taken by the Department (the actual FY 2001-02 budgetary savings taken in that fiscal year was \$692,800, approved as a year-end legislative transfer on November 13, 2002). Sick leave payouts of \$90,700 Gross (\$45,400 GF/GP) associated with the final year costs of the 1997 early retirement program are removed from the line. \$5,775,100 Gross (\$1,129,800 GF/GP) is transferred to the new Information Technology unit. Economic increases of \$358,900 Gross (\$143,600 GF/GP) are provided for staff salary and wages, insurance and retirement plan costs. The GF/GP portion of the economic increase is offset by a reduction of \$241,900 Gross (\$166,400 GF/GP) attributable to elimination of annual lump sum payments and other staff costs. An additional \$550,000 in Federal matching funds are allocated for a Department contract with the MSU Institute for Managed Care, and \$1,500,000 in Federal matching funds are appropriated for the On-Line Eligibility System being developed through E-Michigan. The Executive proposed roll-up of the MICHild Administration line item with the Medical Services Administration line was rejected by the House and the Conference Committee.

There are no appropriation changes to the Data Processing Contractual Services and the Facility Inspection Contract – State Police lines.

The MICHild Administration line item is increased by \$1,000,000 Gross (all Federal) to reflect the transfer of funds from the MICHild Outreach line. The Executive proposed roll-up of the MICHild Administration line item with the Medical Services Administration line was rejected by the House and the Conference Committee. \$200,000 Gross (all Federal) added by the House and adopted by the Conference Committee for school district health center training and assistance regarding MICHild enrollment, coordination, and reimbursement procedures was vetoed by the Governor.

**VETO – The Governor vetoed Section 1508 boilerplate language authorizing funding for school district health center training resulting in a reduction to the MICHild Administration line item by \$200,000 Gross (all Federal).**

The Michigan Essential Health Care Provider line item is reduced by \$270,900 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings measures taken by the Department. An increase of \$220,000 Gross (\$110,000 Federal and \$110,000 Private) is provided to recognize a federal award increase for loan repayments. The line item is transferred to the Departmentwide Administration appropriation unit.

The Palliative and Hospice Care line item is transferred to the Departmentwide Administration appropriation unit

The Primary Care Services line is reduced by \$1,251,800 Gross (all GF/GP) to reflect the FY 2001-02 budgetary savings measures taken by the Department. An increase of \$39,200 Gross (all Federal) is provided to recognize a federal award increase for the Primary Care grant. The line item is transferred to the Departmentwide Administration appropriation unit.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Actions approved through Legislative transfers on December 12, 2002 to help achieve the Early Retirement Savings in Public Act 519 of 2002 reduced Medical Services Administration funding by \$801,700 GF/GP.

|  | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03             |            |
|--|--------------|------------|------------|------------|------------|------------|------------------------|------------|
|  | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Contingent             |            |
| FY 2002-03                                       | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | Appropriations         | FY 2002-03 |
| P.A. 519 of 2002 (S.B. 1101)                     | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | (Sec. 263, 1645, 1714) | ENACTED    |
| DEPARTMENT OF COMMUNITY HEALTH                   | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | 25-Jul-02              | 25-Jul-02  |
| <b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b> |              |            |            |            |            |            |                        |            |
| Full-time equated classified positions           | 337.5        | 333.7      | 333.7      | 333.7      | 333.7      | 0.0        | 0.0                    | 333.7      |
| Medical services administration--* FTE positions | 47,100,500   | 46,747,500 | 46,747,500 | 42,419,700 | 42,419,700 | 0          | 0                      | 42,419,700 |
| * positions in above line                        | 335.7        | 333.7      | 333.7      | 333.7      | 333.7      | 0.0        | 0.0                    | 333.7      |
| Data processing contractual services             | 100          | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| Facility inspection contract - state police      | 132,800      | 132,800    | 132,800    | 132,800    | 132,800    | 0          | 0                      | 132,800    |
| MIChild administration                           | 3,327,800    | 0          | 0          | 4,527,800  | 4,527,800  | (200,000)  | 0                      | 4,327,800  |
| Michigan essential health care provider          | 1,500,000    | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| Palliative and end of life care                  | 316,200      | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| Primary care services--* FTE positions           | 4,102,400    | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| * positions in above line                        | 1.8          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0                    | 0.0        |
| GROSS APPROPRIATION                              | 56,479,800   | 46,880,300 | 46,880,300 | 47,080,300 | 47,080,300 | (200,000)  | 0                      | 46,880,300 |
| Appropriated from:                               |              |            |            |            |            |            |                        |            |
| Federal revenues:                                |              |            |            |            |            |            |                        |            |
| Total federal revenues                           | 35,191,100   | 30,639,700 | 30,639,700 | 30,839,700 | 30,839,700 | (200,000)  | 0                      | 30,639,700 |
| Special revenue funds:                           |              |            |            |            |            |            |                        |            |
| Total private revenues                           | 40,000       | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| Total other state restricted revenues            | 500,000      | 0          | 0          | 0          | 0          | 0          | 0                      | 0          |
| State general fund/general purpose               | 20,748,700   | 16,240,600 | 16,240,600 | 16,240,600 | 16,240,600 | 0          | 0                      | 16,240,600 |

|  |            | FY 2002-03           |                |
|--|------------|----------------------|----------------|
|  |            | Transfers to         | FY 2002-03     |
| FY 2002-03                                       | FY 2002-03 | Execute PA 519       | YTD            |
| P.A. 519 of 2002 (S.B. 1101)                     | ENACTED    | Budg Svgs, Early Ret | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH                   | 25-Jul-02  | 12-Dec-02            | 30-Dec-02      |
| <b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b> |            |                      |                |
| Full-time equated classified positions           | 333.7      | 0.0                  | 333.7          |
| Medical services administration--* FTE positions | 42,419,700 | (801,700)            | 41,618,000     |
| * positions in above line                        | 333.7      | 0.0                  | 333.7          |
| Data processing contractual services             | 0          | 0                    | 0              |
| Facility inspection contract - state police      | 132,800    | 0                    | 132,800        |
| MIChild administration                           | 4,327,800  | 0                    | 4,327,800      |
| Michigan essential health care provider          | 0          | 0                    | 0              |
| Palliative and end of life care                  | 0          | 0                    | 0              |
| Primary care services--* FTE positions           | 0          | 0                    | 0              |
| * positions in above line                        | 0.0        | 0.0                  | 0.0            |
| GROSS APPROPRIATION                              | 46,880,300 | (801,700)            | 46,078,600     |
| Appropriated from:                               |            |                      |                |
| Federal revenues:                                |            |                      |                |
| Total federal revenues                           | 30,639,700 | 0                    | 30,639,700     |
| Special revenue funds:                           |            |                      |                |
| Total private revenues                           | 0          | 0                    | 0              |
| Total other state restricted revenues            | 0          | 0                    | 0              |
| State general fund/general purpose               | 16,240,600 | (801,700)            | 15,438,900     |

**MEDICAL SERVICES**

Federal funding is decreased by \$51,331,200 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.36% to 55.42%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. \$17,200,000 GF/GP is replaced with the same amount of Healthy Michigan Funds for ongoing Medicaid program costs. An additional \$261,662,400 from the Medicaid Benefits Trust Fund is allocated to replace the same amount of GF/GP revenue to fund Medical Services programs at the appropriated level.

Medicaid base adjustments are reflected in the budget to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth in various Medical Services program line items. The preliminary Medicaid base adjustments assumed in the Executive Budget Recommendation and the consensus staff estimates adopted in the enacted budget are summarized below:

| <b>Medical Services Line Item</b> | <b>Executive Recomm.<br/>Base Adjustment</b> | <b>Staff Consensus<br/>Base Adjustment</b> |
|-----------------------------------|--|--|
| Hospital Services                 | \$37,422,300                                 | \$1,762,800                                |
| Physician Services                | \$5,394,000                                  | \$34,584,000                               |
| Medicare Premium Payments         | \$13,950,600                                 | \$14,094,000                               |
| Pharmaceutical Services           | \$81,418,200                                 | \$31,163,000                               |
| Home Health Services              | \$1,626,500                                  | (\$308,000)                                |
| Transportation                    | \$1,081,200                                  | \$1,747,000                                |
| Auxiliary Medical Services        | \$2,610,200                                  | \$8,292,000                                |
| Long Term Care Services           | \$32,499,200)                                | \$102,810,500                              |
| Health Plan Services              | \$90,563,000)                                | \$151,163,000                              |
| <b>Total</b>                      | <b>\$265,565,200</b>                         | <b>\$346,308,300</b>                       |

The Hospital Services and Therapy line is reduced by \$2,136,100 Gross (2,059,400 GF/GP) to reflect the FY 2001-02 budgetary savings measures taken by the Department. This includes the elimination of \$2,000,000 Gross (all GF/GP) in rural health defibrillator/EMT grants and the reduction of \$59,400 GF/GP for rural health free clinics funding. In addition to

the Medicaid caseload/utilization adjustment referenced earlier, a \$25,000,000 Gross (\$10,910,000 GF/GP) Medicaid base adjustment is included reflecting the FY 2001-02 supplemental recommended by the Executive. Annualized savings resulting from the rebasing of hospital DRG rates in Executive Order 2001-9 reduce Hospital funding by \$4,419,400 Gross (\$1,970,200 GF/GP). Outpatient hospital adjustor funds of \$2,500,000 Gross (\$1,091,000 GF/GP) are transferred to the Health Maintenance Organizations line to reimburse HMOs that have suffered a loss due to paying hospitals at fee-for-services rates rather than on a per diem basis. \$976,000 Gross (\$304,600 GF/GP) is added for the continued phase in of expanded Medicaid coverage for breast and cervical cancer treatment services to low income persons who otherwise do not qualify for Medicaid. Funds totaling \$4,659,300 Gross (\$2,033,300 GF/GP) are transferred to the MIFamily Plan line item for parents and caretaker relatives who will be covered under the new program.

A base adjustment of \$1,762,800 is included to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. The five percent provider rate increase adopted by the Senate and the House with funding of \$26,848,800 Gross (\$11,969,200 GF/GP) was eliminated by the Conference Committee. A hospital rate increase totaling \$106,804,600 Gross that is financed with provider assessment revenue of \$66,513,500 was approved by the Conference Committee contingent on passage of HB 5103 that was subsequently vetoed by the Governor. One-time funding of \$3,000,000 Gross (all GF/GP) for a Mackinac Island health clinic is deleted. \$150,000 Gross (\$66,900 GF/GP) in funding for rural health free clinics approved by the House and Senate was eliminated by the Conference Committee. Restoration of \$5,220,000 Gross (\$2,327,100 GF/GP) for rural health hospital adjustor payments that were eliminated by Executive Order 2001-9 was also rejected by the Conference Committee.

Funding for the Psychiatric Residency Program is restored with funding of \$3,620,500 Gross (\$1,614,000 Private). Restoration of \$9,395,100 Gross (\$4,188,300) for Graduate Medical Education by the Senate and reduced by the House was rejected by the Conference Committee. A 5% GME increase supported by the House and Senate totaling \$9,269,000 Gross (\$4,132,100 GF/GP) was eliminated by the Conference Committee. \$1,000,000 Gross (all GF/GP) for hospitals that are closing or transitioning to an urgent care center or FQHC was added by the House and included in the enrolled bill.

**VETO – The Governor vetoed Section 1645 boilerplate language authorizing funds for hospital closing and transition costs resulting in a \$1,000,000 Gross (all GF/GP) reduction to the Hospital Services and Therapy line.**

**VETO – The Governor vetoed House Bill 5103 that would have established a hospital quality assurance assessment program. This action, in combination with Section 1715 boilerplate language, reduced Hospital Services funding by \$149,200,300.**

There are no appropriation changes to the Hospital Disproportionate Share Payments line item that is funded at the level of \$45,000,000.

A base adjustment of \$34,584,000 is included to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. Funds totaling \$2,912,100 Gross (\$1,270,800 GF/GP) are transferred to the MIFamily Plan line item for parents and caretaker relatives who will be covered under the new program. The 5% provider rate increase for Physician Services supported by the Senate and the House with a projected cost of \$7,515,500 Gross (\$3,350,400 GF/GP) was eliminated by the Conference Committee.

In the Medicare Premium Payments line item, a base adjustment \$14,094,000 is included to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth.

A base adjustment of \$31,163,000 is included for Pharmaceutical Services to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. Annualized savings are taken from the Pharmaceutical Services line item of \$14,333,300 Gross (\$6,389,800 GF/GP) due to the pharmacy best practice initiative's drug rebates and prior authorization changes. Funds totaling \$4,076,900 Gross (\$1,779,200 GF/GP) are transferred to the MIFamily Plan line item for parents and caretaker relatives who will be covered under the new program. The 5% pharmacy dispensing increase supported by the House at a projected cost of \$2,160,000 Gross (\$962,900 GF/GP) was eliminated by the Conference Committee

There is a base adjustment reduction of \$308,000 in the Home Health Services line item to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. The 5% provider rate increase for Home Health Services supported by the House with a projected cost of \$1,436,700 Gross (\$640,500 GF/GP) was eliminated by the Conference Committee.

For Transportation Services, a base adjustment of \$1,747,000 is included to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. The 5% provider rate increase for Transportation Services supported by the House and Senate with a projected cost of \$381,800 Gross (\$190,800 GF/GP) was eliminated by the Conference Committee.

In the Auxiliary Medical Services line item, a base adjustment of \$8,292,000 is included to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. The 5% provider rate increase for Auxiliary Medical Services supported by the House and Senate with a projected cost of \$4,230,900 Gross (\$1,886,100 GF/GP) was

eliminated by the Conference Committee. An increase of \$1,000,000 Gross (\$445,800 GF/GP) recommended by the House to expand the Healthy Kids Dental program was rejected by the Conference Committee.

Ambulance Services is maintained as a separate line item. The 5% provider rate increase for Auxiliary Medical Services supported by the House and Senate with a projected cost of \$250,100 Gross (\$111,500 GF/GP) was eliminated by the Conference Committee.

Annualized savings resulting from the nursing home reimbursement changes in Executive Order 2001-9 reduce Long-Term Care Services funding by \$4,964,900 Gross (\$2,213,400 GF/GP). A federal Long Term Care Systems grant increases funding in the line item by \$1,500,000 Gross (all Federal). The roll-up of the Adult Home Help and Personal Care Services line items with Long-Term Care Services proposed by the Executive is rejected. The Home and Community Based Waiver program is established as a separate line item, as recommended by the Senate and the House.

A base adjustment of \$102,810,500 is included for Long-Term Care Services to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. The 5% provider rate increase for nursing homes supported by the House and Senate with a projected cost of \$46,752,900 Gross (\$20,842,400 GF/GP) was eliminated by the Conference Committee. A nursing home rate increase totaling \$100,559,000 Gross that is financed with provider assessment revenue of \$44,829,200 was approved by the Conference Committee. The House recommended additional funding of \$2,841,100 Gross (\$1,266,500 GF/GP) to reduce the minimum nursing home occupancy requirement used in determining Medicaid payment rates to 85% , but this change was rejected by the Conference Committee. The House adopted \$100 placeholder for a nursing home liability insurance pool was also rejected by the Conference Committee. \$6,600,000 Gross (\$4,217,000 GF/GP) to re-establish a nursing home quality incentive program in the House version was not included.

**VETO – The Governor vetoed the Long-Term Care Services line citing the appropriation for Long-Term Care Services in Public Act 303 of 2002.**

The Home and Community Based Waiver program is established as a separate line item, as recommended by the Senate and the House. The \$6,300,000 Gross (\$2,808,500 GF/GP) recommended for a 5% increase in the Home and Community Based Services Program by the Senate and the House was also eliminated.

**VETO – The Governor vetoed the Long-Term Care Services line citing the appropriation for Long-Term Care Services in Public Act 303 of 2002.**

The Elder Prescription Insurance Coverage (EPIC) line item is reduced by \$20,000,700 in Restricted Revenue including \$15,000,000 in tobacco settlement funds. An additional \$115,000,000 of Federal Revenue is also appropriated for EPIC based on the proposed Medicare Low Income Drug Assistance Initiative and the Medicaid Pharmacy Plus Waiver program.

A base adjustment of \$151,163,000 is included for Health Maintenance Organizations to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth. In addition to this Medicaid caseload/utilization adjustment for Health Maintenance Organizations, a \$25,000,000 Gross (\$10,910,000 GF/GP) Medicaid base adjustment is included reflecting the FY 2001-02 supplemental recommended by the Executive. The HMO line is decreased by \$16,868,200 Gross (\$7,519,800 GF/GP) to reflect lower hospital payments due to the rebasing of Medicaid DRG rates. ). Outpatient hospital adjustor funds of \$2,500,000 Gross (\$1,091,000 GF/GP) are transferred to the Health Maintenance Organizations line from Hospital Services and Therapy to reimburse HMOs that have suffered a loss due to paying hospitals at fee-for-services rates rather than on a per diem basis. The 5% provider rate increase for HMOs supported by the House and Senate with a projected cost of 67,691,700 Gross (\$30,176,900 GF/GP) was eliminated by the Conference Committee. . A health maintenance organization rate increase totaling \$166,756,800 Gross that is financed with provider assessment revenue of \$96,000,000 was approved by the Conference Committee.

**VETO – The Governor vetoed the Health Maintenance Organizations line citing the appropriation for Health Plan Services in Public Act 304 of 2002.**

There are no appropriations changes to the MICHild program line item. All of the funds in the MICHild Outreach line item (\$3,327,800 Federal) are transferred to the MICHild Administration line in the Medical Services Administration unit.

The transfer of \$7,582,700 Gross (\$3,380,400 GF/GP) from the Personal Care Services line item to Long-Term Care Services proposed by the Executive is rejected. The House and the Conference Committee transferred this amount to the Adult Home Help Program. The five percent provider rate increase adopted by the Senate and the House with funding of \$1,419,900 Gross (\$633,000 GF/GP) was eliminated by the Conference Committee.

**VETO – The Governor vetoed the Personal Care Services line citing the appropriation for Long-Term Care Services in Public Act 303 of 2002.**

There are no appropriation changes to the Maternal and Child Health line item.

The roll-up the Adult Home Help line item with Long-Term Care Services proposed by the Executive is rejected. The House and the Conference Committee transferred \$7,582,700 Gross (\$3,380,400 GF/GP) from the Personal Care Services line item to the Adult Home Help Program. The five percent provider rate increase adopted by the Senate and the House with funding of \$8,990,300 Gross (\$4,007,900 GF/GP) was eliminated by the Conference Committee.

**VETO – The Governor vetoed the Adult Home Help line citing the appropriation for Long-Term Care Services in Public Act 303 of 2002.**

The five percent provider rate increase for the Social Services to the Physically Disabled line item adopted by the Senate and the House with funding of \$67,200 Gross (all GF/GP) was eliminated by the Conference Committee.

All of the funds in the Wayne County Medical Program line item, \$44,012,800 Gross (\$4,180,500 GF/GP) are transferred to the MIFamily Plan line for indigent care program participants who will be covered by the new program.

There are no appropriation changes to the School-Based Services line item.

The State and Local Medical Programs line item is increased by \$8,343,900 Gross (\$4,624,200 Local) to recognize additional local contributions to county based indigent care programs and a corresponding increase in federal matching funds. \$2,792,800 in Tobacco Settlement Revenue is also removed from the line item. All of the funds for State and Local Medical Programs, \$72,745,200 Gross (\$19,147,400 GF/GP) are transferred to the MIFamily Plan line for indigent care program participants who will be covered by the new program.

The budget for Special Adjustor Payments is increased by 166,458,500 Gross (\$0 GF/GP) to reflect additional funding in the FY 2002-02 recommended by the Executive. Medicaid special financing adjustments are also made to reflect federal restrictions on the amount of such payments under new "Upper Payment Limit" regulations. The special adjustor payments earn federal matching funds and reduce the amount of state funds needed for the Medicaid program. The line item is reduced by \$86,514,600 Gross, but GF/GP is increased by \$46,408,400.

A new MIFamily Plan line item is established with funds transferred from various Medicaid and indigent care line items and \$62,685,600 Gross (\$18,006,800 GF/GP) in new funding. Total funding for the new line item is \$191,091,900 Gross (\$46,418,000 GF/GP). **The Governor has delayed implementation of MI-Family Plan until it is certain that the state can afford to commit the necessary resources for this expansion.**

## **FY 2002-03 MEDICAL SERVICES SUPPLEMENTAL ACTIONS**

### **PUBLIC ACT 303 OF 2002 NURSING HOME QUALITY ASSURANCE ASSESSMENT**

Public Act 303 of 2002 establishes a nursing home quality assurance assessment program that provides for a net 7% Medicaid rate increase to nursing homes with the funds generated by the assessment. The Act also makes an FY 2002-03 appropriation of \$1,469,003,900 Gross (\$601,607,600 GF/GP) for Long-Term Care Services that includes Medicaid funding for private nursing homes, county medical care facilities, the Home and Community Based Services Waiver program, Adult Home Help, and Personal Care Services.

### **PUBLIC ACT 304 OF 2002 HEALTH MAINTENANCE ORGANIZATION QUALITY ASSURANCE ASSESSMENT**

Public Act 304 of 2002 establishes a health maintenance organization quality assurance assessment program that provides for a net R% Medicaid rate increase to health maintenance organizations with the funds generated by the assessment. The Act also makes an FY 2002-03 appropriation of \$1,476,781,100 Gross (\$603,538,200 GF/GP) for Health Plan Services.

### **PUBLIC ACT 562 OF 2002 HOSPITAL QUALITY ASSURANCE ASSESSMENT**

Public Act 562 of 2002 establishes a hospital quality assurance assessment program that provides for a Medicaid rate increase up to the maximum allowable under federal matching requirements to hospitals with the funds generated by the assessment. The Act also makes an FY 2002-03 appropriation of \$149,200,000 Gross (\$0 GF/GP) for Hospital Services and Therapy and directs that \$18,900,000 from the quality assurance assessment fee be deposited in the State's general fund this year.

### **PUBLIC ACT 746 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 746 of 2002 appropriates \$6,100,000 of new cigarette tax revenue in place of local funding for indigent health care in Wayne County pursuant to Public Act 503 of 2002. \$24,000,000 in additional Healthy Michigan Funds from increased cigarette tax revenues is also appropriated and State GF/GP funding is reduced by the same amount.

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

Executive Order 2002-22 reduces the Long-Term Care Services line item by \$26,020,600 Gross (\$11,600,000 GF/GP) by continuing the freeze on new enrollments in the Medicaid Home and Community Based Services Waiver program. A further reduction of \$11,215,800 Gross (\$5,000,000 GF/GP) is made to the same line item for increased third party recovery revenues that will be used to replace GF/GP.

Actions approved through Legislative transfers on December 12, 2002 to help achieve the 2.5% Budgetary Savings in Executive Order 2002-22 reduced Medical Services funding by \$88,710,400 Gross (\$41,047,800 GF/GP). This includes a 1.1% reduction in Medicaid payment rates for hospital services (\$2,566,900 Gross, \$1,114,300GF/GP), home health services (\$44,900 Gross, \$20,000 GF/GP), nursing homes (\$6,178,300 Gross, \$2,754,500GF/GP), and health maintenance organizations (\$8,596,000 Gross, \$3,832,100). Medicaid graduate medical education payments were also reduced by 2.5% (\$2,521,200 Gross, \$1,124,000 GF/GP). Medicaid GF/GP funding for Long- Term Care Services was reduced by \$1,500,000 that was replaced by the same amount of Healthy Michigan and Tobacco Settlement revenues. Elimination of optional Medicaid coverage for caretaker relatives of Medicaid eligible children resulted in a reduction of \$68,803,100 Gross (\$30,672,400 GF/GP) to the Health Plan Services line item.

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Actions approved through Legislative transfers on December 12, 2002 to help achieve the 1% Budgetary Savings in Public Act 519 of 2002 reduced Medical Services funding by \$15,068,400. This includes a 0.75% reduction in Medicaid payment rates for hospital services (\$780,200 GF/GP), home health services (\$13,600 GF/GP), nursing homes (\$1,878,100 GF/GP), and health maintenance organizations (\$2,607,800). Elimination of the Medicaid outpatient adjustor payments reduced funding for Hospital Services and Therapy (\$6,241,200 GF/GP) and Health Plan Services (\$1,114,500). Medicaid GF/GP funding for Long- Term Care Services was reduced by \$2,433,000 that was replaced by the same amount of Healthy Michigan Funds. This GF/GP reduction also results in a loss of \$15,707,800 in federal Medicaid revenue.

## FY 2001-02 SUPPLEMENTAL ACTIONS

### **PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 530 increases the FY 2001-02 Medical Services Unit appropriation for numerous Medicaid line items by \$289,155,900 to recognize the caseload and utilization increase in the Medicaid program. Special Medical Services payments are increased by \$174,957,200 to reflect \$166,458,500 Medicaid special financing payments than originally appropriated and \$8,498,700 in additional funding for county-based indigent care programs. In total, the Medical Services Unit authorization is increased by \$464,113,100 while GF/GP is reduced by \$84,073,800.

### **PUBLIC ACT 560 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 560 increases the FY 2001-02 Long-Term Care Services appropriation by \$25,139,800 Gross (\$0 GF/GP) to authorize implementation during the last quarter of FY 2001-02 of the nursing home quality assurance assessment program enacted in Public Act 303 of 2002. The increase is financed with \$10,971,000 in restricted revenue from the nursing home provider assessment and \$14,168,800 in additional federal Medicaid matching funds.

### **PUBLIC ACT 746 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

Public Act 746 of 2002 appropriates \$800,000 of new cigarette tax revenue in place of local funding for indigent health care in Wayne County pursuant to Public Act 503 of 2002.

### **EXECUTIVE ORDER 2001-9**

The November 2001 Executive Order reduces the FY 2001-02 Hospital Services and Therapy line item appropriation by:

- \$9,395,100 Gross (\$4,100,000 GF/GP) to reflect a 5% reduction in graduate medical education payments
- \$5,220,000 Gross (\$2,278,000 GF/GP) due to elimination of the rural outpatient adjustor payments
- \$3,635,1000 Gross (\$1,580,000 GF/GP) due to elimination of the psychiatric residency training program
- \$13,260,800 Gross (\$5,787,000 GF/GP) due to rebasing of Medicaid hospital DRG payments

The Ambulance Services line item appropriation is reduced by \$1,000,000 Gross (\$436,400 GF/GP) to reflect elimination of the ambulance average mileage surcharge payment. The Long-Term Care Services line item appropriation is reduced by \$14,894,600 Gross (\$6,500,000 GF/GP) due to a freeze in nursing home payment rates. \$60,000,000 GF/GP is also

removed from the Medical Services unit resulting from additional Medicaid special financing payments above the appropriated level.

|  | FY 2001-02           | FY 2002-03             | FY 2002-03             | FY 2002-03           |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|----------------------|
|  | COMM. HEALTH         | EXECUTIVE            | SENATE               | HOUSE                | ENROLLED             | FY 2002-03             | Contingent             |                      |
| FY 2002-03                                 | YEAR-TO-DATE         | RECOMMEND.           | RECOMMEND.           | RECOMMEND.           | BILL                 | VETOES                 | Appropriations         | FY 2002-03           |
| P.A. 519 of 2002 (S.B. 1101)               | 7-Feb-02             | 7-Feb-02             | 20-Mar-02            | 23-May-02            | 27-Jun-02            | 25-Jul-02              | (Sec. 263, 1645, 1714) | ENACTED              |
| DEPARTMENT OF COMMUNITY HEALTH             |                      |                      |                      |                      |                      |                        |                        |                      |
| <b>Sec. 119. MEDICAL SERVICES</b>          |                      |                      |                      |                      |                      |                        |                        |                      |
|  |                      |                      |                      |                      |                      |                        | 0                      |                      |
| Hospital services and therapy              | 658,616,700          | 708,300,200          | 779,605,200          | 780,664,100          | 781,065,800          | (7,000,000)            | (143,200,300)          | 630,865,500          |
| Hospital disproportionate share payments   | 45,000,000           | 45,000,000           | 45,000,000           | 49,000,000           | 45,000,000           | 0                      | 0                      | 45,000,000           |
| Physician services                         | 144,916,000          | 147,397,900          | 154,913,400          | 154,913,500          | 176,587,900          | 0                      | 0                      | 176,587,900          |
| Medicare premium payments                  | 139,506,000          | 153,456,600          | 153,456,600          | 153,456,600          | 153,600,000          | 0                      | 0                      | 153,600,000          |
| Pharmaceutical services                    | 530,170,300          | 593,178,300          | 593,178,300          | 595,338,300          | 543,923,100          | 0                      | 0                      | 543,923,100          |
| Home health services                       | 27,108,000           | 28,734,500           | 30,171,200           | 30,171,300           | 26,800,000           | 0                      | 0                      | 26,800,000           |
| Transportation                             | 6,553,000            | 7,634,200            | 8,015,900            | 8,016,000            | 8,300,000            | 0                      | 0                      | 8,300,000            |
| Auxiliary medical services                 | 82,008,000           | 89,618,200           | 88,849,100           | 89,849,200           | 90,300,000           | 0                      | 0                      | 90,300,000           |
| Ambulance services                         | 5,000,000            | 0                    | 6,250,000            | 6,250,100            | 5,000,000            | 0                      | 0                      | 5,000,000            |
| Long-term care services                    | 1,174,454,400        | 1,368,444,900        | 1,121,669,500        | 1,101,251,200        | 1,225,927,400        | (1,225,927,400)        | 0                      | 0                    |
| Home and community based waiver program    | 0                    | 0                    | 132,300,000          | 162,300,100          | 126,000,000          | (126,000,000)          | 0                      | 0                    |
| Elder prescription insurance coverage      | 50,000,700           | 145,000,000          | 145,000,000          | 145,000,000          | 145,000,000          | 0                      | 0                      | 145,000,000          |
| Health maintenance organizations           | 1,252,637,000        | 1,353,831,800        | 1,438,391,600        | 1,438,624,800        | 1,581,188,600        | (1,581,188,600)        | 0                      | 0                    |
| Health plan services                       | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | 0                      | 0                    |
| MIChild outreach                           | 3,327,800            | 0                    | 0                    | 0                    | 0                    | 0                      | 0                      | 0                    |
| MIChild program                            | 57,067,100           | 57,067,100           | 57,067,100           | 57,067,100           | 57,067,100           | 0                      | 0                      | 57,067,100           |
| Personal care services                     | 30,329,400           | 20,816,200           | 29,818,800           | 22,236,200           | 20,816,200           | (20,816,200)           | 0                      | 0                    |
| Maternal and child health                  | 9,234,500            | 9,234,500            | 9,234,500            | 9,234,500            | 9,234,500            | 0                      | 0                      | 9,234,500            |
| Adult home help                            | 158,781,400          | 0                    | 188,795,400          | 196,378,200          | 187,387,800          | (187,387,800)          | 0                      | 0                    |
| Social services to the physically disabled | 1,344,900            | 1,344,900            | 1,412,100            | 1,412,200            | 1,344,900            | 0                      | 0                      | 1,344,900            |
| MIFamily plan                              | 0                    | 191,091,900          | 191,091,900          | 191,091,900          | 191,091,900          | 0                      | 0                      | 191,091,900          |
| Subtotal basic medical services program    | 4,376,055,200        | 4,920,151,200        | 5,174,220,600        | 5,192,255,300        | 5,375,635,200        | (3,148,320,000)        | (143,200,300)          | 2,084,114,900        |
| Wayne county medical program               | 44,012,800           | 0                    | 0                    | 0                    | 0                    | 0                      | 0                      | 0                    |
| School based services                      | 65,094,200           | 65,094,200           | 65,094,200           | 65,094,200           | 65,094,200           | 0                      | 0                      | 65,094,200           |
| State and local medical programs           | 64,401,300           | 0                    | 0                    | 0                    | 0                    | 0                      | 0                      | 0                    |
| Special adjustor payments                  | 934,057,000          | 1,014,000,900        | 1,014,000,900        | 1,014,000,900        | 1,014,000,900        | 0                      | 0                      | 1,014,000,900        |
| Subtotal special medical services payments | 1,107,565,300        | 1,079,095,100        | 1,079,095,100        | 1,079,095,100        | 1,079,095,100        | 0                      | 0                      | 1,079,095,100        |
| <b>GROSS APPROPRIATION</b>                 | <b>5,483,620,500</b> | <b>5,999,246,300</b> | <b>6,253,315,700</b> | <b>6,271,350,400</b> | <b>6,454,730,300</b> | <b>(3,148,320,000)</b> | <b>(143,200,300)</b>   | <b>3,163,210,000</b> |
| Appropriated from:                         |                      |                      |                      |                      |                      |                        |                        |                      |
| Federal revenues:                          |                      |                      |                      |                      |                      |                        |                        |                      |
| Total federal revenues                     | 3,150,647,100        | 3,425,948,500        | 3,567,309,200        | 3,573,123,200        | 3,679,486,100        | (1,744,244,700)        | (79,361,600)           | 1,855,879,800        |
| Special revenue funds:                     |                      |                      |                      |                      |                      |                        |                        |                      |
| Total local revenues                       | 875,923,400          | 873,493,700          | 873,493,700          | 873,493,700          | 873,493,700          | (118,289,300)          | 0                      | 755,204,400          |
| Total private revenues                     | 11,512,700           | 11,512,700           | 11,512,700           | 13,126,700           | 13,126,700           | 0                      | 0                      | 13,126,700           |
| Tobacco settlement revenue                 | 82,800,000           | 65,007,200           | 65,007,200           | 65,007,200           | 65,007,200           | 0                      | 0                      | 65,007,200           |
| Total other state restricted revenues      | 169,706,100          | 441,791,900          | 603,301,100          | 628,975,800          | 681,334,600          | (140,829,200)          | (66,513,500)           | 473,991,900          |
| State general fund/general purpose         | 1,193,031,200        | 1,181,492,300        | 1,132,691,800        | 1,117,623,800        | 1,142,282,000        | (1,144,956,800)        | 2,674,800              | 0                    |



**INFORMATION TECHNOLOGY  
BUDGETARY SAVINGS  
EARLY RETIREMENT SAVINGS**

## **INFORMATION TECHNOLOGY**

For this newly created appropriation unit, a 2.0% economic increase (\$161,300 Gross and \$105,100 GF/GP) is included in the Information Technology Services and Projects line item for employees' salaries and wages. The budget includes an economic increase of \$8,400 Gross and \$5,600 GF/GP in the Information Technology Services and Projects line item for employees' defined benefit retirement costs. An economic increase of \$14,100 Gross and \$9,400 GF/GP is included in the budget for the Information Technology Services and Projects line item for employees' defined contribution retirement costs. The FY 2001-02 lump sum payment of \$375 for employees (\$55,900 Gross and \$36,100 GF/GP) is removed from the Information Technology Services and Projects line item. A reduction of \$85,500 Gross and GF/GP is included in the budget for the Information Technology Services and Projects line item to finance employee-related economic adjustments.

Funds and FTEs totaling \$27,011,300 Gross, \$13,878,200 GF/GP, and 144.0, respectively, are transferred from the Departmental Administration and Management line item and the Developmental Disabilities Council and Projects line item to the Information Technology Services and Projects line item. These funds will be used for management information systems, application maintenance, PCs and software. Funds totaling \$33,500 Gross and \$31,300 GF/GP are transferred from the Mental Health/Substance Abuse Program Administration line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software. Funds totaling \$800 Gross and \$0 GF/GP are transferred from the Federal Mental Health Block Grant line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software.

Funds and FTEs totaling \$562,600 Gross, \$37,900 GF/GP, and 4.0, respectively, are transferred from state psychiatric hospitals and centers for persons with developmental disabilities line item appropriations, the Center for Forensic Psychiatry line item, and the Forensic Mental Health Services Provided to the Department of Corrections line item to the Information Technology Services and Projects line item. The funds will be used for PCs, software, information technology staff, and application maintenance. Funds totaling \$517,000 Gross and \$76,400 GF/GP are transferred from the Executive Administration line item and the Vital Records and Health Statistics line item to the Information Technology Services and Projects line item. These funds will be used for PCs, software, vital records system application development and maintenance, paternity system application development and maintenance, and data coding.

Funds totaling \$32,600 Gross and \$0 GF/GP are transferred from the AIDS Prevention, Testing, and Care Program line item, the Immunization Program Management and Field Support line item, and the Sexually Transmitted Disease Control Management and Field Support line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software. Funds totaling \$283,000 Gross and \$12,400 GF/GP are transferred from the Laboratory

Services line item to the Information Technology Services and Projects line item. The funds will be used for PCs, software, and newborn screening system application development and maintenance. Funds totaling \$30,000 Gross and \$11,000 GF/GP are transferred from the Epidemiology Administration line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software.

Funds totaling \$3,800 Gross and \$0 GF/GP are transferred from the Lead Abatement Program line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software. Funds totaling \$15,900 Gross and \$3,000 GF/GP are transferred from the Cancer Prevention and Control Program line item, the Diabetes and Kidney Program line item, and the Health Education, Promotion, and Research Program line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software. Funding that totals \$30,300 Gross and \$22,900 GF/GP are being transferred from the Community Living, Children, and Families Administration line item, the Omnibus Budget Reconciliation Act Implementation line item, and the Special Projects line item to the Information Technology Services and Projects line item. These funds will be used for PCs and software.

Funds totaling \$514,000 Gross and \$0 GF/GP are transferred from the Women, Infants, and Children (WIC) Program Administration line item and Special Projects line item to the Information Technology Services and Projects line item. These funds will be used for PCs, software, and the WIC electronic benefits transfer project. Funds totaling \$14,900 Gross and \$9,400 GF/GP are transferred from the Children's Special Health Care Services Administration line item to the Information Technology Services and Projects line item. The funds will be used for PCs and software.

Funds totaling \$5,400 Gross and \$0 GF/GP are transferred from the Drug Control Policy line item to the Information Technology Services and Projects line item for PCs and software. Funds totaling \$962,300 Gross and \$1,900 GF/GP are transferred from the Grants Administration Services line item and the Crime Victim Rights Services Grant line item to the Information Technology Services and Projects line item. These funds will be used for PCs, software, Agate contract application development, and VINE application development and maintenance. Funds and FTEs totaling \$5,774,500 Gross, \$1,129,700 GF/GP, and 1.0, respectively, are transferred from the Medical Services Administration line item to the Information Technology Services and Projects line item. These funds will be used for PCs, software, DRG grouper software, encounter data application development and maintenance, data coding, beneficiary and provider tracking system maintenance and upgrades, E-MI on-line eligibility application development and maintenance, and RBDC/SURS data warehouse. FTEs totaling 149.0 are transferred from this newly created appropriation unit to the Department of Information Technology.

## **FY 2002-03 SUPPLEMENTAL ACTIONS**

### **EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY SAVINGS**

Pursuant to implementing Executive Order 2002-22 which called for a 2.5% reduction in the GF/GP funds supporting the Department, the funds supporting the Information Technology Services and Projects line item are reduced by \$380,300 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment reduces the GF/GP funds supporting this line item by 2.5%.

### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included a 1% budgetary savings amount of \$25,630,600 GF/GP, the funds supporting the Information Technology Services and Projects line item are reduced by \$152,100 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. This adjustment reduces the GF/GP funds supporting this line item by 1.0%.

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings of \$5,393,700 GF/GP, the funds supporting the Information Technology Services and Projects line item are reduced by \$661,200 Gross and GF/GP in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees.

|   | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03 |            | FY 2002-03            |            |
|---|--------------|------------|------------|------------|------------|------------|-----------------------|------------|
|   |              |            |            |            |            |            | Contingent            |            |
| FY 2002-03  | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED   | FY 2002-03 | Appropriations        | FY 2002-03 |
| P.A. 519 of 2002 (S.B. 1101)                              | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL       | VETOES     | (Sec 263, 1645, 1714) | ENACTED    |
| DEPARTMENT OF COMMUNITY HEALTH                            | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02  | 25-Jul-02  | 25-Jul-02             | 25-Jul-02  |
| <b>Sec. 120. INFORMATION TECHNOLOGY</b>                   |              |            |            |            |            |            |                       |            |
| Information technology services and projects              | 0            | 35,834,300 | 35,834,300 | 35,834,300 | 35,834,300 | 0          | 0                     | 35,834,300 |
| GROSS APPROPRIATION                                       | 0            | 35,834,300 | 35,834,300 | 35,834,300 | 35,834,300 | 0          | 0                     | 35,834,300 |
| Appropriated from:  |              |            |            |            |            |            |                       |            |
| Interdepartmental grant revenues:                         |              |            |            |            |            |            |                       |            |
| Interdepartmental grant from the department of correction | 0            | 142,700    | 142,700    | 142,700    | 142,700    | 0          | 0                     | 142,700    |
| Federal revenues:   |              |            |            |            |            |            |                       |            |
| Federal revenues  | 0            | 18,685,200 | 18,685,200 | 18,685,200 | 18,685,200 | 0          | 0                     | 18,685,200 |
| Special revenue funds:                                    |              |            |            |            |            |            |                       |            |
| Total other state restricted revenues                     | 0            | 1,793,800  | 1,793,800  | 1,793,800  | 1,793,800  | 0          | 0                     | 1,793,800  |
| State general fund/general purpose                        | 0            | 15,212,600 | 15,212,600 | 15,212,600 | 15,212,600 | 0          | 0                     | 15,212,600 |

|   |            | FY 2002-03         | FY 2002-03            |                |
|---|------------|--------------------|-----------------------|----------------|
|   |            | Transfers to       | Transfers to          | FY 2002-03     |
| FY 2002-03  | FY 2002-03 | Execute EO 2002-22 | Execute PA 519        | YTD            |
| P.A. 519 of 2002 (S.B. 1101)                              | ENACTED    | Budgetary Savings  | Budg Svgs, Early Ret. | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH                            | 25-Jul-02  | 12-Dec-02          | 12-Dec-02             | 30-Dec-02      |
| <b>Sec. 120. INFORMATION TECHNOLOGY</b>                   |            |                    |                       |                |
| Information technology services and projects              | 35,834,300 | (380,300)          | (813,300)             | 34,640,700     |
| GROSS APPROPRIATION                                       | 35,834,300 | (380,300)          | (813,300)             | 34,640,700     |
| Appropriated from:  |            |                    |                       |                |
| Interdepartmental grant revenues:                         |            |                    |                       |                |
| Interdepartmental grant from the department of correction | 142,700    | 0                  | 0                     | 142,700        |
| Federal revenues:   |            |                    |                       |                |
| Federal revenues  | 18,685,200 | 0                  | 0                     | 18,685,200     |
| Special revenue funds:                                    |            |                    |                       |                |
| Total other state restricted revenues                     | 1,793,800  | 0                  | 0                     | 1,793,800      |
| State general fund/general purpose                        | 15,212,600 | (380,300)          | (813,300)             | 14,019,000     |

## **BUDGETARY SAVINGS**

The budgetary savings adjustments for the following line item appropriations in the noted GF/GP amounts are achieved in accordance to a legislative transfer request dated November 6, 2002 from the State Budget Office and approved by the House of Representatives and Senate Appropriations Committees:

|   |                     |
|---|---------------------|
| Departmental Administration and Management              | \$3,631,900         |
| Mental Health/Substance Abuse Program Administration    | \$1,135,400         |
| Multicultural Services                                  | \$288,000           |
| Center for Forensic Psychiatry                          | \$250,000           |
| Executive Administration                                | \$286,000           |
| Vital Records and Health Statistics                     | \$260,000           |
| Diabetes and Kidney Program                             | \$50,000            |
| Employee Wellness Program Grants                        | \$100,000           |
| Community Living, Children, and Families Administration | \$359,000           |
| Medicaid Outreach and Service Delivery Support          | \$1,000,000         |
| Pregnancy Prevention Program                            | \$850,000           |
| Special Projects  | \$650,000           |
| Children's Special Health Care Services Administration  | \$298,000           |
| Drug Control Policy                                     | \$100,000           |
| Office of Services to the Aging Administration          | \$15,300            |
| Community Services                                      | \$79,500            |
| Nutrition Services                                      | \$58,700            |
| Senior Volunteer Services                               | \$30,000            |
| Senior Citizen Centers Staffing and Equipment           | \$5,700             |
| Medical Services Administration                         | \$692,800           |
| Michigan Essential Health Care Provider Program         | \$270,900           |
| Primary Care Services                                   | \$1,251,800         |
| Hospital Services and Therapy                           | \$2,059,400         |
| <b>TOTAL GF/GP</b>                                      | <b>\$13,722,400</b> |

Pursuant to the target agreement, a budgetary savings deduct of \$25,630,600, which represents 1.0% of the GF/GP authorized for the Department for FY 2002-03, is included in the budget.

## FY 2002-03 SUPPLEMENTAL ACTIONS

### EXECUTIVE ORDER 2002-22 AND RELATED 2.5% BUDGETARY ACTIONS

Executive Order 2002-22 which called for a 2.5% reduction in the GF/GP funds supporting the Department includes a budgetary savings amount totaling \$63,446,100. The majority of these savings are achieved for the following line items in a transfer letter dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. Furthermore to achieve a \$1,500,500 increase in the restricted revenue supporting the Long-Term Care Services line item, the Healthy Michigan funds supporting the Departmental Administration and Management line item are reduced by \$333,300, the Healthy Michigan funds supporting the Health Education, Promotion, and Research Programs line item are reduced by \$266,700, the Healthy Michigan funds supporting Morris Hood Wayne State University Diabetes Outreach line item are reduced by \$291,700, and the Tobacco Settlement revenue supporting the Long-Term Care Advisor line item are reduced by \$608,800.

|   | GROSS                | GF/GP               |
|---|----------------------|---------------------|
| Departmental Administration and Management    | \$1,000,000          | \$1,000,000         |
| Medicaid Mental Health Services               | \$6,540,400          | \$2,915,700         |
| Community Mental Health Non-Medicaid Services | \$5,583,500          | \$5,583,500         |
| Minority Health Grants and Contracts          | \$226,100            | \$226,100           |
| Asthma Prevention and Control                 | \$109,200            | \$109,200           |
| Local Health Services                         | \$162,000            | \$162,000           |
| Local Public Health Operations                | \$300,900            | \$300,900           |
| African-American Male Health Initiative       | \$213,300            | \$213,300           |
| Cancer Prevention and Control Program         | \$2,538,300          | \$2,538,300         |
| Diabetes and Kidney Program                   | \$1,031,800          | \$1,031,800         |
| Injury Control Intervention Project           | \$333,400            | \$333,400           |
| Physical Fitness, Nutrition, and Health       | \$763,500            | \$763,500           |
| Public Health Traffic Safety Coordination     | \$200,000            | \$200,000           |
| Smoking Prevention Program                    | \$692,000            | \$692,000           |
| Pregnancy Prevention Program                  | \$500,000            | \$500,000           |
| Office of Services to Aging Administration    | \$89,500             | \$89,500            |
| Community Services                            | \$170,000            | \$170,000           |
| Nutrition Services                            | \$409,000            | \$409,000           |
| Senior Volunteer Services                     | \$208,900            | \$208,900           |
| Senior Citizen Centers Staffing and Equipment | \$39,500             | \$39,500            |
| Hospital Services and Therapy                 | \$5,088,100          | \$2,268,300         |
| Home Health Services                          | \$44,900             | \$20,000            |
| Long-Term Care Services                       | \$6,178,300          | \$4,255,000         |
| Health Plan Services                          | \$77,399,100         | \$34,504,500        |
| Information Technology Services and Projects  | \$380,300            | \$380,300           |
| <b>TOTAL</b>                                  | <b>\$111,202,000</b> | <b>\$58,914,700</b> |

**1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included a 1.0% GF/GP budgetary savings amount of \$25,630,600, these savings are achieved for the following line items in a legislative transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. Please note that the authorizations for the line items have not been changed to reflect federal revenue changes.

|  | GROSS               | GF/GP               |
|--|---------------------|---------------------|
| Medicaid Mental Health Services                              | \$5,433,600         | \$2,422,300         |
| Respite Services   | \$318,600           | \$318,600           |
| State Disability Assistance Program Substance Abuse Services | \$2,943,800         | \$2,943,800         |
| Immunization Local Agreements                                | \$165,900           | \$165,900           |
| Obesity Program  | \$133,400           | \$133,400           |
| Children's Waiver Home Care Program                          | \$3,244,100         | \$1,446,200         |
| Medicaid Outreach and Service Delivery Support               | \$4,325,800         | \$2,162,900         |
| Special Projects   | \$450,000           | \$450,000           |
| Community Services   | \$367,000           | \$367,000           |
| Hospital Services and Therapy                                | \$15,750,100        | \$7,021,400         |
| Home Health Services   | \$30,600            | \$13,600            |
| Long-Term Care Services                                      | \$6,645,700         | \$4,311,100         |
| Health Plan Services   | \$8,349,700         | \$3,722,300         |
| Information Technology Services and Projects                 | \$152,100           | \$152,100           |
| <b>TOTAL</b>   | <b>\$48,310,400</b> | <b>\$25,630,600</b> |

|                                    | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03   |            | FY 2002-03             |              |
|------------------------------------|--------------|------------|------------|------------|--------------|------------|------------------------|--------------|
| FY 2002-03                         | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED     | FY 2002-03 | Contingent             | FY 2002-03   |
| P.A. 519 of 2002 (S.B. 1101)       | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL         | VETOES     | (Sec. 263, 1645, 1714) | ENACTED      |
| DEPARTMENT OF COMMUNITY HEALTH     | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02    | 25-Jul-02  | 25-Jul-02              | 25-Jul-02    |
| <b>Sec. 121. BUDGETARY SAVINGS</b> |              |            |            |            |              |            |                        |              |
| Budgetary savings                  | (13,722,400) | 0          | 0          | 0          | (25,630,600) | 0          | 0                      | (25,630,600) |
| GROSS APPROPRIATION                | (13,722,400) | 0          | 0          | 0          | (25,630,600) | 0          | 0                      | (25,630,600) |
| Appropriated from:                 |              |            |            |            |              |            |                        |              |
| State general fund/general purpose | (13,722,400) | 0          | 0          | 0          | (25,630,600) | 0          | 0                      | (25,630,600) |

|                                    |              | FY 2002-03   | FY 2002-03         | FY 2002-03            |                |
|------------------------------------|--------------|--------------|--------------------|-----------------------|----------------|
|                                    |              | Executive    | Transfers to       | Transfers to          | FY 2002-03     |
| FY 2002-03                         | FY 2002-03   | Order        | Execute EO 2002-22 | Execute PA 519        | YTD            |
| P.A. 519 of 2002 (S.B. 1101)       | ENACTED      | 2002-22      | Budgetary Savings  | Budg Svgs, Early Ret. | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH     | 25-Jul-02    | 5-Dec-02     | 12-Dec-02          | 12-Dec-02             | 30-Dec-02      |
| <b>Sec. 121. BUDGETARY SAVINGS</b> |              |              |                    |                       |                |
| Budgetary savings                  | (25,630,600) | (63,446,100) | 58,914,700         | 25,630,600            | (4,531,400)    |
| GROSS APPROPRIATION                | (25,630,600) | (63,446,100) | 58,914,700         | 25,630,600            | (4,531,400)    |
| Appropriated from:                 |              |              |                    |                       |                |
| State general fund/general purpose | (25,630,600) | (63,446,100) | 58,914,700         | 25,630,600            | (4,531,400)    |

## **EARLY RETIREMENT SAVINGS**

A newly created appropriation unit and line item is created and entitled "Early Retirement Savings". Net early retirement savings of \$5,393,700 Gross and GF/GP are anticipated for the Department.

### **FY 2002-03 SUPPLEMENTAL ACTIONS**

#### **1% BUDGETARY SAVINGS AND EARLY RETIREMENT SAVINGS**

Pursuant to implementing Public Act 519 of 2002 which included net early retirement savings totaling \$5,393,700 Gross and GF/GP, these savings are achieved for the following line items in a transfer request dated December 5, 2002 and approved by the House of Representatives and Senate Appropriations Committees. Furthermore, additional savings are achieved to execute an increase of \$281,200 in the Laboratory Services line item and an increase of \$82,700 in the Health Education, Promotion, and Research Programs line item.

|   |                    |   |
|---|--------------------|---|
| Departmental Administration and Management                        | \$954,900          |   |
| Mental Health/Substance Program Administration                    | \$595,800          |   |
| CMHSP, Purchase of State Services Contracts                       | \$1,725,500        |   |
| Caro Regional Mental Health Center – Psychiatric Hospital - Adult | \$363,500          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Kalamazoo Psychiatric Hospital - Adult                            | \$283,500          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Northville Psychiatric Hospital - Adult                           | \$118,600          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Walter P. Reuther Psychiatric Hospital - Adult                    | \$415,300          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Hawthorn Center – Psychiatric Hospital – Children and Adolescents | \$212,500          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Mount Pleasant Center – Developmental Disabilities                | \$332,100          | (Local CMHSP, Purchase of State Services Contract Dollars)      |
| Center for Forensic Psychiatry                                    | \$331,800          |   |
| Executive Administration  | \$77,200           |   |
| Immunization Program Management and Field Support                 | \$99,900           |   |
| Sexually Transmitted Disease Control Management and Field Support | \$58,600           |   |
| Epidemiology Administration                                       | \$78,300           |   |
| Community Living, Children, and Families Administration           | \$104,200          |   |
| Children's Special Health Care Services Administration            | \$92,900           |   |
| Grants Administration Services                                    | \$80,000           |   |
| Office of Services to Aging Administration                        | \$95,600           |   |
| Medical Services Administration                                   | \$801,700          |   |
| Information Technology Services and Projects                      | \$661,200          |   |
| <b>TOTAL</b>  | <b>\$5,757,600</b> | <b>GF/GP</b>  |
|   | <b>\$1,725,500</b> | <b>Local CMHSP, Purchase of State Services Contract Dollars</b> |

|   | FY 2001-02   | FY 2002-03 | FY 2002-03 | FY 2002-03 | FY 2002-03  |            | FY 2002-03             |             |
|---|--------------|------------|------------|------------|-------------|------------|------------------------|-------------|
|   |              |            |            |            |             |            | Contingent             |             |
| FY 2002-03                                | COMM. HEALTH | EXECUTIVE  | SENATE     | HOUSE      | ENROLLED    | FY 2002-03 | Appropriations         | FY 2002-03  |
| P.A. 519 of 2002 (S.B. 1101)              | YEAR-TO-DATE | RECOMMEND. | RECOMMEND. | RECOMMEND. | BILL        | VETOES     | (Sec. 263, 1645, 1714) | ENACTED     |
| DEPARTMENT OF COMMUNITY HEALTH            | 7-Feb-02     | 7-Feb-02   | 20-Mar-02  | 23-May-02  | 27-Jun-02   | 25-Jul-02  | 25-Jul-02              | 25-Jul-02   |
| <b>Sec. 122. EARLY RETIREMENT SAVINGS</b> |              |            |            |            |             |            |                        |             |
| Early retirement savings                  | 0            | 0          | 0          | (100)      | (5,393,700) | 0          | 0                      | (5,393,700) |
| GROSS APPROPRIATION                       | 0            | 0          | 0          | (100)      | (5,393,700) | 0          | 0                      | (5,393,700) |
| Appropriated from:                        |              |            |            |            |             |            |                        |             |
| State general fund/general purpose        | 0            | 0          | 0          | (100)      | (5,393,700) | 0          | 0                      | (5,393,700) |

|   |             | FY 2002-03            |                |
|---|-------------|-----------------------|----------------|
|   |             | Transfers to          | FY 2002-03     |
| FY 2002-03                                | FY 2002-03  | Execute PA 519        | YTD            |
| P.A. 519 of 2002 (S.B. 1101)              | ENACTED     | Budg Svgs, Early Ret. | Appropriations |
| DEPARTMENT OF COMMUNITY HEALTH            | 25-Jul-02   | 12-Dec-02             | 30-Dec-02      |
| <b>Sec. 122. EARLY RETIREMENT SAVINGS</b> |             |                       |                |
| Early retirement savings                  | (5,393,700) | 5,393,700             | 0              |
| GROSS APPROPRIATION                       | (5,393,700) | 5,393,700             | 0              |
| Appropriated from:                        |             |                       |                |
| State general fund/general purpose        | (5,393,700) | 5,393,700             | 0              |

**BOILERPLATE**

## GENERAL SECTIONS BOILERPLATE

**Sec. 201. State Spending**

Totals the state spending from state resources under Part 1 for Fiscal Year (FY) 2002-03 and state spending from state resources to be paid to local units of government for FY 2002-03.

**Sec. 202. Authorized Appropriations**

Provides that appropriations authorized under this act are subject to provisions of the Management and Budget Act. Provides that funds in which the state acts as a custodian or agent are not subject to an annual appropriation.

**Sec. 203. Terms and Acronyms**

Provides definitions for terms and acronyms used in the appropriations act.

**Sec. 204. Civil Service Charges**

Requires the Department of Civil Service to bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by the State Constitution of 1963. Requires payments for the total billing be made by the end of the second fiscal quarter.

**Sec. 205. Hiring Freeze**

Imposes a hiring freeze on the state classified civil service employees, except for internal transfers of classified employees from one position to another within a department. Exceptions to the hiring freeze are also granted when it results in the department being unable to deliver basic services, cause loss of revenue to the state, and results in the inability of the state to receive federal funds. Requires a quarterly report to the Chairpersons of the House of Representatives and Senate Appropriations Committees on the number of exceptions to the approved hiring freeze.

**Sec. 206. Contingency Funds**

Appropriates up to \$100.0 million in federal contingency funds, up to \$20.0 million in state restricted contingency funds, up to \$20.0 million in local contingency funds, and up to \$10.0 million in private contingency funds. Provides that the contingency funds are not available for expenditure until transferred according to provisions in Section 393 (2) of the Management and Budget Act.

**Sec. 207. Privatization**

Requires the Department to submit a complete project plan to the appropriate House of Representatives and Senate Appropriations Subcommittees and the House and Senate Fiscal Agencies at least 120 days before beginning any effort to privatize.

**Sec. 208. Internet Reporting Requirements**

Requires the Department to use the Internet to fulfill the reporting requirements of this act. Requires the Department to quarterly provide an electronic and paper listing of the reports submitted during the most recent three-month period, along with the Internet or Intranet site of each report, to members of the House of Representatives and Senate Appropriations Subcommittees, the House and Senate Fiscal Agencies, and the State Budget Office.

**Sec. 209. American Goods or Services and Michigan Goods or Services**

Prohibits the use of appropriated funds for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Prohibits the use of appropriated funds for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

**Sec. 210. Businesses in Deprived and Depressed Communities**

Requires the Director of the Department to take reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Encourages the Director to subcontract with certified businesses in deprived and depressed communities for services or supplies, or both. Requires the Director to take reasonable steps to ensure equal opportunity for all who compete for and perform contracts to provide services or supplies, or both.

**Sec. 211. Fee Revenue**

Allows fee revenue to be carried forward, with the approval of the State Budget Director, into the next fiscal year and to be used as the first source of funding in that fiscal year.

**Sec. 212.    *Caps on Funds Expended***

Caps the funds expended from the federal maternal and child health block grant, federal preventive health and health services block grant, federal substance abuse block grant, healthy Michigan fund, and Michigan initiative fund. Requires a report by February 1, 2003, on the FY 2002-03 appropriations fund sources by line item appropriations. Requires a report on the amount and sources of funds proposed to support the FY 2003-04 Executive Budget Recommendation upon release of the budget. Requires all revenue source detail for consolidated revenue line item detail to be provided upon a request to the Department.

**Sec. 213.    *Report on Tobacco Tax Funds***

Requires state departments, agencies, and commissions receiving tobacco tax funds to report on programs utilizing these funds by January 1, 2003, to the House of Representatives and Senate Appropriations Committees, the House and Senate Fiscal Agencies, and the State Budget Director.

**Sec. 214.    *Use of Tobacco Tax Revenue***

Prohibits the use of tobacco tax revenue deposited in the healthy Michigan fund for lobbying as defined in Public Act 472 of 1978.

**Sec. 216.    *Use of Prior-Year Revenues***

Allows the use of prior-year revenues for the write-offs of accounts receivables, deferrals, and prior-year obligations. Does not limit the Department's ability to satisfy appropriation deductions in Part 1 to collections and accruals provided in FY 2002-03. Requires the Department to report by March 15, 2003, and September 15, 2003, on all reimbursements, refunds, adjustments and settlements from prior years to the House of Representatives and Senate Appropriations Subcommittees on Community Health.

**Sec. 218.    *Basic Health Services***

Lists the basic health services embodied in Part 23 of the Public Health Code that are to be available and accessible throughout the state.

- Sec. 219. *DCH Contracts with the Michigan Public Health Institute***  
Allows the Department to contract with the Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires the Department to report on each funded project by November 1, 2002, and May 1, 2003, to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director. Provides that reports not received by the specified dates will result in the nondisbursement of funds to the Institute until the overdue reports are received. Requires the Department to provide copies of all reports, studies, and publications produced by the Institute by September 30, 2003.
- Sec. 220. *Audits of Michigan Public Health Institute Contracts***  
Requires all contracts with the Michigan Public Health Institute that are funded with Part 1 appropriations to include a provision requiring financial and performance audits by the State Auditor General.
- Sec. 223. *Fees for Publications, Videos, Conferences, and Workshops***  
Allows the Department to establish and collect fees for publications, videos and related materials, conferences, and workshops. Requires collected fees to be used to offset expenditures for printing and mailing costs of publications, videos and related materials, and the costs of conferences and workshops.
- Sec. 259. *User Fees for Information Technology Services and Projects***  
Requires the Department to pay user fees to the Department of Information Technology for technology-related services and projects from the Part 1 appropriated funds for information technology. Subjects the user fees to provisions of an interagency agreement between the Department and the Department of Information Technology.
- Sec. 260. *Information Technology Work Projects***  
Permits the designation of Part 1 appropriated funds for information technology as work projects. Provides that funds designated for work projects are not available for expenditure until approved as work projects under Section 451a of the Management and Budget Act.

**Sec. 261. *Early Retirement and Budgetary Savings***

Requires the negative appropriation for early retirement savings in Part 1 to be satisfied by savings realized from not filling all of the positions lost due the early retirement plan for state employees enacted in Public Act 93 of 2002 amendments to the State Employees Retirement Act. Requires the negative appropriation for budgetary savings in Part 1 to be satisfied by savings achieved from the imposed hiring freeze, efficiencies, and other savings identified by the Director of the Department of Community Health and approved by the State Budget Director. Requires appropriation authorizations for early retirement savings and budgetary savings to be adjusted after the approval of transfers by the Legislature pursuant to Section 393(2) of the Management and Budget Act.

**Sec. 262. *Expenditure of Appropriated Funds***

Requires the Department to provide a written explanation of the reasons why it did not fully expend appropriated funds if any of the following occurs: 1) a proposed legislative transfer removes 10% or more of the funding in a line item; 2) a proposed legislative transfer brings the total of the year-to-date transfers out of that line to 10% or more of the originally appropriated amount; 3) a proposed legislative transfer removes funding in a line item that is the subject of boilerplate language expressing legislative intent for program implementation; 4) 10% or more of a line item will lapse to the general fund at the close of the fiscal year; and 5) 10% or more of a line item will be proposed to be included in a work project.

**Sec. 263. *Cigarette Tax Contingency Appropriations***

Appropriates funds for the consumer involvement program, minority health grants and contracts, African-American male health initiatives, cancer prevention and control allocation pursuant to Section 1008, chronic disease prevention for child and adult arthritis, diabetes and kidney program, injury control intervention project for safe kids program, immunization local agreements for the meningitis initiative, Michigan essential health care provider program, obesity program, physical fitness, nutrition, and health pregnancy prevention program, smoking prevention, fetal alcohol syndrome, and local health services for training and evaluation if the tax on cigarettes is increased by \$0.30 or more per pack by September 30, 2002.

## DEPARTMENTWIDE ADMINISTRATION BOILERPLATE

- Sec. 301. *Worker's Compensation Funds***  
Allows the Department to make payments from the funds appropriated for worker's compensation for wage and salary and related fringe benefits for employees who return to work under limited duty.
- Sec. 302. *Community Health Advisory Council***  
Allows the funds appropriated for the Community Health Advisory Council to be used for members per diems of \$50 and other council expenditures.
- Sec. 303. *First-Party Payments for Mental Health Services***  
Prohibits the Department from requiring first-party payments from individuals or families with a taxable income of \$10,000 or less for mental health services for determinations made in accordance with Section 818 of the Mental Health Code.
- Sec. 304. *Michigan Essential Health Care Provider Program***  
Allows funds appropriated for the Michigan Essential Health Care Provider Program to be used to provide loan repayment for dentists that meet the criteria established in Part 27 of the Public Health Code.
- Sec. 305. *Funding for Multicultural Agencies Providing Primary Care Services***  
Directs the Department to continue to fund multicultural agencies that provide primary care services.
- Sec. 307. *Primary Care Services Funding for Health Centers***  
Allocates up to \$2,890,500 to enhance the service capacity of federally qualified health centers and similar health clinics providing primary care services.
- Sec. 309. *Breton Health Center***  
Designates Breton Center as a state-sponsored health center for the purpose of qualifying health care providers for loan repayments under the Michigan Essential Health Care Provider Program.

**Sec. 310. Primary Care Clinics**

Requires the Department to identify all primary care clinics located in federally designated professional shortage areas. Requires the Department to provide assistance, upon request, to these primary care clinics in attaining designation as a state-sponsored health center for the purpose of qualifying health care providers for loan repayments under the Michigan Essential Health Care Provider Program. Requires the Department to provide bimonthly reports to the House of Representatives and Senate Appropriations Subcommittees on Community Health and the House and Senate Fiscal Agencies on the names and locations of clinics located in federally designated health professional shortage areas and designated as Michigan essential health care provider sites.

**Sec. 311. Palliative Care Funding and Hospice Pilot Project Report**

Allocates \$166,200 for education programs on and the promotion of palliative care, hospice, and end-of-life care. Requires the Department to report on the hospice pilot project by October 1, 2002.

**Sec. 312. Michigan Partnership for the Advancement of End-of-Life Care**

Allocates \$150,000 to the Michigan Partnership for the Advancement of End-of-Life Care. Expresses the Legislature's intent that the grant decreases by \$50,000 per year over the next 3 fiscal years.

**Sec. 313. Compulsive Gambling**

Requires a November 1, 2002 report to the House of Representatives and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director on activities undertaken by the Department to address compulsive gambling.

**MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES BOILERPLATE**

**MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

**Sec. 350. Michigan Protection and Advocacy Services**

Allows the Department to enter into a contract with the Michigan Protection and Advocacy Services or a similar organization to provide legal services for the purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the Department or CMHSPs to provide services to persons with mental illness or developmental disability.

**Sec. 352. *Survey of Adolescent Suicide***

Requires the Department to conduct a statewide survey of adolescent suicide and an assessment of available preventative resources.

**COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAM**

**Sec. 401. *Comprehensive System of CMH Services***

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs. Requires the Department to ensure that each CMHSP provides a complete array of mental health services, the coordination of inpatient and outpatient hospital services, individualized plans of services, a case management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code. Requires the Department, in partnership with CMHSPs, to establish a process that ensures the long-term viability of a single entry and exit and locally controlled CMH system. Prohibits a contract between a CMHSP and the Department from being altered or modified without a prior written agreement of the parties to the contract.

**Sec. 402. *Contracts Between the Department and CMHSPs***

Requires final authorizations to CMHSPs be made upon the execution of contracts between the Department and CMHSPs. Requires each contract with a CMHSP include a provision that it is not valid unless the total dollar obligation of all contracts entered into between the Department and CMHSPs for FY 2002-03 does not exceed Part 1 appropriations. Requires the Department to report immediately to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director if there are new contracts or amendments to contracts with CMHSPs that would affect enacted rates or expenditures.

**Sec. 403. *Multicultural Service Providers***

Requires the Department to ensure that CMHSPs continue contracts with multicultural service providers.

**Sec. 404. *Report on CMHSPs***

Requires the Department to provide a report by May 31, 2003, on the following for CMHSPs: a demographic description of service recipients which include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis; a breakdown clients served, by diagnosis as defined in the American Psychiatric Association's Diagnostic and Statistical Manual, when encounter data is available; per capita expenditures by client population group; expenditures by client group and fund source, and cost information by service category; data describing service outcomes; information about access to CMHSPs; an estimate of the number of FTEs employed by CMHSPs, contracted directly with CMHSPs, and contracted with provider organizations as of September 30, 2002; lapses and carry-forwards during FY 2001-02; information on the CMH Medicaid managed care program; and performance indicator information required to be submitted to the Department in contracts with CMHSPs.

**Sec. 405. *Wage Increase to Direct Care Workers***

Provides that it is the Legislature's intent that the wage increase funded for direct care workers in local residential settings, day programs, supported employment, and other vocational programs continue to be paid.

**Sec. 406. *Appropriations for State Disability Assistance Substance Abuse Services Program***

Requires funds appropriated for the state disability assistance substance abuse services programs to be used to support per diem and board payments in substance abuse residential facilities. Requires the Department to reimburse all eligible licensed substance abuse programs at a rate equivalent to that paid by the Family Independence Agency to adult foster care providers.

**Sec. 407. *Substance Abuse Prevention, Education, and Treatment Grants***

Requires that appropriations for substance abuse prevention, education, and treatment grants be expended for contracting with coordinating agencies or designated service providers. Provides that it is the Legislature's intent that coordinating agencies and designated service providers work with CMHSPs to coordinate services provided to individuals with both mental illness and substance abuse diagnoses. Requires the Department to establish a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

**Sec. 408. *Report on Substance Abuse Prevention, Education, and Treatment Programs***

Requires the Department to report by April 15, 2003, on the following data on substance abuse prevention, education, and treatment programs for FY 2001-02: expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type; expenditures per state client; number of services provided by central diagnosis and referral agency, by subcontractor, and by service type; and collections from other first/third party payers, private donations, or other state or local programs by coordinating agencies, by subcontractors, by population served, and by service type.

**Sec. 409. *Substance Abuse Services to Clients with Children***

Requires funds for substance abuse services to be distributed in a manner to provide priority to service providers that furnish child care services to clients with children.

**Sec. 410. *Substance Abuse Treatment for FIA Recipients***

Requires the Department to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the Family Independence Agency who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

**Sec. 411. *Jail Diversion Services for Persons with Mental Illness or Developmental Disability***

Requires the Department to ensure that each contract with a CMHSP require the CMHSP to implement programs to encourage diversions for persons with mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate. Requires each CMHSP to have jail diversion services and work toward establishing relationships with representative staff of local law enforcement agencies.

**Sec. 412. *Non-Medicaid Substance Abuse Services - VETOED***

Requires the Department to contract with the Salvation Army Harbor Light Program and Salvation Army Turning Point of West Michigan for providing non-Medicaid substance abuse services at not less than the amount contracted for in FY 2001-02. Requires the Department to make an administrative allocation from its existing appropriation of not less than 10% of the amount contracted for in FY 2001-02 for these Salvation Army programs.

**Sec. 1316 of Public Act 746 of 2002 restores language requiring the Department to contract with the Salvation Army Harbor Light Program and Salvation Army Turning Point of West Michigan for providing non-Medicaid substance abuse services at not less than the amount contracted for in FY 2001-02.**

**Sec. 413. *Capitation Rates Payable to CMHSPs***

Requires the Department to report to the House of Representatives and Senate Appropriations Subcommittees on Community Health, and the House and Senate Fiscal Agencies on the methodology utilized and the adjustments made in recalculating the capitation rates payable to CMHSPs and other managing entities by October 10, 2002.

**Sec. 414. *Medicaid Substance Abuse Services***

Requires Medicaid substance abuse services to be managed by selected CMHSPs pursuant to the Centers for Medicare and Medicaid Services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. Authorizes selected CMHSPs to receive a capitated payment on a per eligible per month basis to assure the provision of medically necessary substance abuse services. Requires selected CMHSPs to be responsible for the reimbursement of claims for specialized substance abuse services. Allows CMHSPs that are not coordinating agencies to continue to contract with a coordinating agency provided that the alternative arrangement is based on client service needs and has prior approval from the Department.

**Sec. 416. *Prescribed Psychotropic Medications***

Prohibits CMH boards from being held liable for the cost of prescribed psychotropic medications during FY 2002-03. Requires that in calculating the amount of lapses available in offsetting overexpenditures resulting from the implementation of this section, lapses credited to CMH line items will only include lapses in excess of the amount calculated for the 5% carry forward defined in state statute. Requires the Department to provide quarterly reports on psychotropic medications regarding the type, number, cost, and prescribing patterns of Medicaid providers. Requires the Department to request the transfer of appropriation lapses or supplemental funding if expenditures for Medicaid mental health services and Medicaid substance abuse services exceed the Part 1 appropriations due to an increase in the number or mix of Medicaid eligibles.

**Sec. 417. *Regional Partnerships for CMH Boards***

Expresses the Legislature's intent that the Department support pilot projects by CMH boards to establish regional partnerships. Allows CMH boards located in counties within a 45-mile radius of each other to collaborate for the purpose of forming regional partnerships. Defines the purpose of regional partnerships to be expanding consumer choice, promoting service integration, and producing system efficiencies through the coordination of efforts. Requires the pilot projects to be completely voluntary and based on projects proposed by CMH boards. Authorizes a regional partnership to retain 100% of any net lapses generated by the regional partnership.

**Sec. 418. *Monthly Report on Medicaid Managed Mental Health Program***

Requires the Department to report monthly on the amount of funding paid to CMHSPs to support the Medicaid mental health program.

**Sec. 419. *Carry Forward of Substance Abuse Funds - VETOED***

Requires the Department and CMHSPs that contract with substance abuse coordinating agencies to include provisions in their contracts that allow the agencies to carry forward up to 5% of its federal block grant revenue from the funds appropriated for community substance abuse prevention, education, and treatment programs.

**Sec. 422. *Pilot Projects by CMHSPs on Psychotropic Drug Costs***

Expresses the Legislature's intent that the Department support pilot projects by CMHSPs to control and manage psychotropic drug costs associated with the Managed Specialty Services and Supports Program. Requires the pilot projects to be completely voluntary and based on projects proposed by CMHSPs. Requires the Department to provide quarterly reports to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the State Budget Office, and the House and Senate Fiscal Agencies as to any activities by CMHSPs to pilot projects.

**Sec. 423. *Delivery of Substance Abuse Prevention, Education, and Treatment Programs***

Requires the Department to work cooperatively with the Family Independence Agency and the Departments of Corrections, Education, State Police, and Military and Veterans Affairs, within existing appropriations, to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs. Requires the outcomes of the cooperative effort to be reported by March 15, 2003, to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

**Sec. 424. *Timely Claims Process for CMHSPs***

Requires CMHSPs that contract with the Department to provide services to the Medicaid population to adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities described in Public Act 187 of 2000.

**Sec. 425. *Report on Prisoners Receiving Mental Health and Substance Abuse Services***

Requires the Department, in conjunction with the Department of Corrections, to report by April 1, 2003, on the following FY 2001-02 data to the House of Representatives and Senate Appropriations Subcommittees on Community Health and Corrections, the House and Senate Fiscal Agencies, and the State Budget Office: the number of prisoners receiving substance abuse services; the number of prisoners receiving mental health services; and data indicating if prisoners receiving mental health services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

**Sec. 426. *Report on Mental Health Services to Minors***

Requires the Department, to assist the Family Independence Agency, in providing a report on mental health services to minors assigned or referred by the courts and found to meet CMHSP clinical and financial eligibility determination requirements for FY 2001-02 by May 31, 2003, to the House and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

**Sec. 427. *Capitation Payments to CMHSPs***

Prohibits the Department from enacting any contract changes concerning capitation payments to CMHSPs for Medicaid eligibles unless required by federal law and agreed to by contract with CMHSPs. Does not permit the Department to alter capitation rates in order to offset any increases in costs due to increases in the Medicaid caseload or case mixture. Requires the Department to submit a copy of any state plan amendment to the federal waiver for the Managed Specialty Services and Supports Program to the Legislature before submitting the state plan amendment to the Centers for Medicare and Medicaid Services.

**Sec. 428. *Contingency Appropriation of \$100 Million for CMHSPs***

Authorizes the Department to establish a separate contingency appropriations account, in an amount not to exceed \$100 million, for the purpose of providing an increase in Medicaid capitation rates for CMHSPs. Specifies that, in order to receive a capitation rate increase, CMHSPs or affiliations of CMHSPs provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program. Requires the distribution of the rate increase to be based on a formula developed by a Committee established by the Department that includes representatives from CMHSPs or affiliations of CMHSPs and Department staff. Specifies the criteria to be used in developing the distribution formula for the Medicaid capitation rate increase. Permits the Committee to recommend changes in the funding formula for CMH Non-Medicaid payments. Requires the Committee to report its findings to the House of Representatives and Senate Appropriations Subcommittees on Community Health by February 1, 2003. Prohibits the enactment of this section resulting in any increase in the local match or county match obligations above the FY 2001-02 level of funding provided for mental health services. Prohibits the implementation of this section if it does not comply with federal laws or regulations.

- Sec. 430. *Funds Appropriated for CMH Non-Medicaid Services - VETOED***  
Permits CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities under a capitated reimbursement system to include provisions in their contracts to allow the providers to carry forward up to 5% of their unobligated capitation payments from the funds appropriated for CMH Non-Medicaid services.
- Sec. 431. *Funds Appropriated for Medicaid Mental Health Services - VETOED***  
Permits CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities under a capitated reimbursement system to include provisions in their contracts to allow the providers to carry forward up to 5% of their unobligated capitation payments from the funds appropriated for Medicaid mental health services.
- Sec. 432. *Ongoing Discussions with Local Providers of Mental Health and Substance Abuse Services***  
Expresses the Legislature's intent that all CMHSPs establish ongoing discussions with local providers of mental health services, substance abuse services, and services to persons with developmental disabilities in preparation of the competitive procurement of these services as described in the plan approved by the Centers for Medicare and Medicaid Services.
- Sec. 433. *"System of Change" Grant***  
Requires the Department to apply for a "System of Change" grant from the Centers for Medicare and Medicaid Services to support self-determination initiatives for persons with developmental disabilities and mental illness.
- Sec. 435. *County Matching Funds to CMHSP***  
Directs counties required under provisions of the Mental Health Code to provide matching funds to CMHSPs for mental health services rendered to residents in its jurisdiction to pay these funds in equal installments on a quarterly basis throughout the fiscal year.
- Sec. 436. *Specialty Services and Support Waiver Bidding Process***  
Requires CMHSPs, regional partnerships, and other entities that are chosen to provide public mental health services through the 1915(b) specialty services and support waiver bidding process to endeavor to minimize disruptions in services to their clientele due to potential changes in their contracts with providers.

**Sec. 439. *Community Residential Settings Pilots***

Expresses the Legislature's intent that the Department, in conjunction with CMHSPs, supports pilot projects that facilitate the movement of adults with mental illness from state psychiatric hospitals to community residential settings. Provides that the purpose of the voluntary pilot projects are to encourage the placement of persons with mental illness in community residential settings who, among other things, require a secured and supervised living environment and assistance in taking prescribed medications. Requires quarterly reports to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Office on activities undertaken by the Department and CMHSPs to pilot projects.

**Sec. 442. *MIFamily Program***

Expresses the Legislature's intent that the \$40 million transferred from CMH Non-Medicaid Services to Medicaid Mental Health Services be used to provide state match for increases in Medicaid funding for mental health services provided to MIFamily enrollees and economic increases for the Medicaid Specialty Services and Supports Program. Requires the general fund match for unused federal dollars to be transferred back to CMH Non-Medicaid Services if payments made to CMHSPs for MIFamily services are less than the revenue included in the Medicaid Mental Health Services line item. Authorizes the Department to transfer up to \$18 million from the CMH Non-Medicaid Services to provide state match for increases in Medicaid funding for MIFamily services to the extent that persons are enrolled in the program. Requires the Department to report quarterly to the House of Representatives and Senate Appropriations Subcommittees on Community Health on the number of persons enrolled in the MIFamily program, the amount of funding transferred from CMH Non-Medicaid Services for the MIFamily program, the amount of Medicaid funds drawn down as a result of each transfer, and the services provided to MIFamily enrollees with these funds. Requires a Committee comprised of representatives of the Department and CMHSPs to report by February 1, 2003 to the House of Representatives and Senate Appropriations Subcommittees on Community Health on its findings on a distribution formula for payments for economic increases for the Medicaid Specialty Services and Support Program and funding formula for CMH Non-Medicaid payments.

**Sec. 444. *Children's Mental Health Services***

Requires the Department to ensure that appropriate continuum of mental and behavioral health services are available to meet children needs which include inpatient services, outpatient services, in-home visits, and family respite care. Requires the Department to promote mental health preventive measures for children.

**Sec. 447. Fixed Cost Rate for State Provided Services - VETOED**

Requires the Department to provide to CMHSPs a fixed net cost rate for services provided by the state. Requires the net cost rate to equal the operating cost of providing services minus the operating costs paid by federal and private funds, less the amount received by the state as reimbursement from persons and insurers who are financially liable for the cost of service. Requires the rates to be developed by October 1, 2002 and included in the contract between the Department and the CMHSPs. Requires the Department to use these rates for CMHSPs authorizations and rates in which the Department bills CMHSPs for state services.

**Sec. 448. Quality Assurance Assessment Fee for CMHSPs - VETOED**

Requires a CMHSP or affiliate of a CMHSP that receive funds under this act for participating in the Medicaid Managed Specialty Mental Health and Substance Abuse Program administered by the Department to comply with Section 224b of the Insurance Code of 1956 as if it were a HMO. Limits the quality assurance assessment fee charged to the CMHSP or affiliate to 6%.

**Sec. 449. Allocation for Multicultural Services Program - VETOED**

Allocates \$2.5 million for persons with severe mental, developmental, physical, or emotional disabilities who are not currently served under the Multicultural Services Program.

**STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

**Sec. 601. Third-Party Payments and Revenue Recapture Project**

Requires that priority be given to obtaining third-party payments for services in the funding of staff in the financial support division, reimbursement, billing, and collection services. Requires the collections from individual recipients of services to be handled in a sensitive and nonharassing manner. Requires the Department to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive.

**Sec. 602. Pay Telephone Revenues and Gifts and Bequests**

Authorizes the carry forward of unexpended and unencumbered funds up to \$500,000 from pay telephone revenues and gifts and bequests for patient living and treatment environments for one fiscal year.

**Sec. 603. *Forensic Mental Health Services Provided to the Department of Corrections***

Specifies that the funds appropriated in Part 1 for Forensic Mental Health Services provided to the Department of Corrections are in accordance with the interdepartmental plan developed in cooperation with the Department of Corrections. Authorizes the Department to receive and expend funds from the Department of Corrections to fulfill the obligations outlined in the interdepartmental agreement.

**Sec. 604. *Semiannual Reports for CMHSPs***

Requires CMHSPs to provide semiannual reports to the Department on the following information: The number of days of care purchased from state hospitals and centers; the number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers; the number and type of alternative placements to state hospitals and centers other than private hospitals; and waiting lists for placements in state hospitals and centers. Requires the Department to semiannually report the information to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

**Sec. 605. *Closures or Consolidations of State Hospitals and Centers***

Prohibits the Department from implementing the closures or consolidations of state hospitals, centers, and agencies until CMHSPs have programs and services in place for those persons currently in the facilities. Requires the Department to provide a closure plan four months after the closure certification to the House of Representatives and Senate Appropriations Subcommittees on Community Health. Requires the transfer of remaining operational funds from closed state hospitals, centers, and agencies to CMHSPs responsible for providing services to these clients.

**Sec. 606. *Patient Reimbursement***

Allows the Department to collect revenue for patient reimbursement from first/third party payers, including Medicaid, to cover the cost of placement in state hospitals and centers. Authorizes the Department to adjust financing sources for patient reimbursement based on actual revenues earned. Permits the carry forward of revenue collected that exceeds current year expenditures if approved by the State Budget Director.

## PUBLIC HEALTH BOILERPLATE

### INFECTIOUS DISEASE CONTROL

**Sec. 801. *Priority for Adolescents for AIDS Prevention Services***

Requires the Department and its subcontractors to ensure that adolescents receive priority for AIDS prevention, education, and outreach services.

**Sec. 802. *AIDS Provider Education***

Allows the Department to provide funding to the Michigan State Medical Society as the lead agency for continuing the development and implementation of AIDS provider education activities.

**Sec. 803. *AIDS Drug Assistance Program***

Directs the Department to continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary, without prohibiting the Department from providing assistance for improved AIDS treatment medications.

**Sec. 805. *Establish Meningitis Prevention Initiative Fund - VETOED***

Adds new Senate language to direct the Department to establish a Meningitis Prevention Initiative Fund in the amount of \$334,100. The fund can accept private and local contributions.

### EPIDEMIOLOGY

**Sec. 851. *Asthma Intervention Program Allocation***

Allocates \$300,000 for an asthma intervention program, including surveillance, community-based programs, and awareness and education. Directs the Department to seek federal funds available for asthma programs.

**Sec. 852. *Federal Bioterrorism Hospital Preparedness Allocations - VETOED***

Modifies House version of new Senate language to allocate \$3.4 million of federal bioterrorism hospital preparedness funding to hospitals in six regions.

**Sec. 853. *Animal-Borne Disease Transmission to Humans - VETOED***

Includes new House section to allocate \$100 for a proactive research initiative regarding transmission of traditionally animal-borne diseases to humans.

**LOCAL HEALTH ADMINISTRATION AND GRANTS**

**Sec. 901. *Informed Consent Law Reimbursement of Local Costs***

Directs the Department to reimburse local health departments for costs incurred for services under the informed consent law.

**Sec. 902. *Funding Penalty in Case of Dissolution of Multi-County Local Health Department***

Provides authority for the Department to assess a penalty on a county of up to 5% of the local health department's local public health operations funding if that county ceases to be part of a district health department or an associated arrangement with other local health departments.

**Sec. 903. *Lead Abatement Program Report***

Directs the Department to report annually on the expenditures and activities of the lead abatement program.

**Sec. 904. *Local Public Health Operations Allocations***

Establishes that local public health operations funds shall be prospectively allocated to local public health departments to support costs for nine state/local cost-shared services. Local public health departments will be held to contractual standards for these services. Certain of these services shall be provided in consultation with the Michigan Departments of Agriculture, and Environmental Quality. Local eligibility for distributions is contingent upon local spending of at least the amount expended locally in FY 1992-93 for these services. Requires that a report on planned allocations be made available upon request by April 1, 2003.

**Sec. 905. *Local Public Health Operations Distributions***

Adds new Senate section to require the Department to provide no less than 100% of FY 2001-02 allocations to local public health departments in FY 2002-03 in implementing the new funding distribution methodology for local public health operations funds.

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

### **Sec. 1001. *Cancer Awareness and Education***

Requires the Department to allocate funds to promote awareness, education and early detection of breast, cervical, prostate, and colorectal cancer and provide for other health promotion media activities.

### **Sec. 1002. *School Health Education Curriculum***

Requires that funding be allocated to certain school districts to provide a school health education curriculum that is in accordance with the health education goals established by the Michigan Model for the Comprehensive School Health Education State Steering Committee. Establishes steering committee membership and requires that curriculum materials be made available upon request.

### **Sec. 1003. *Alzheimer's Disease Information and Referral Services***

Allocates funds to provide Alzheimer's disease information and referral services through regional networks.

### **Sec. 1005. *Grant to Michigan Physical Fitness and Sports Foundation***

Allows the Department to allocate up to \$755,000, unless adjusted pursuant to Sec. 263, to the Michigan Physical Fitness and Sports Foundation contingent upon a 20% minimum cash match from the Foundation.

### **Sec. 1006. *Priority for Smoking Prevention and Cessation Program Funding***

Requires the Department to give priority to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents, in spending funds allocated to smoking prevention programs.

### **Sec. 1007. *Violence Prevention Program***

Directs that violence prevention funds be used for, but not limited to, programs aimed at the prevention of spouse, partner or child abuse and rape, and programs aimed at the prevention of workplace violence. Directs that the Department give equal consideration to public and private nonprofit grant applicants. The Department may provide funds to local school districts.

- Sec. 1008. *Cancer Program Allocations to Universities***  
Contingent on the availability of certain funds, allocates \$1,500,000 from cancer prevention and control program funds to the Karmanos Cancer Institute/Wayne State University, the University of Michigan Comprehensive Cancer Center, and Michigan State University for cancer prevention activities consistent with the current priorities of the Michigan Cancer Consortium.
- Sec. 1009. *Permits Grant to National Kidney Foundation of Michigan***  
Permits the allocation of funds from the diabetes and kidney program line item to the National Kidney Foundation of Michigan for kidney disease prevention programs.
- Sec. 1010. *Osteoporosis Prevention and Education Funding***  
Allocates \$400,000 to implement the osteoporosis prevention and treatment education program targeting women and school health education.
- Sec. 1011. *African-American Male Cancer Pilot Project***  
Contingent on the availability of additional funds appropriated, allows the Department to fund a pilot project for cancer prevention and early detection for high-risk African-American low-income men.
- Sec. 1013. *Michigan Parkinson's Initiative Funding***  
Contingent on the availability of additional funds appropriated, allows the Department to provide funds for the implementation of the Michigan Parkinson's Initiative.
- Sec. 1019. *Stroke Prevention Funding***  
Allocates \$50,000 for stroke prevention, education, and outreach.
- Sec. 1020. *Arthritis Education Program Funding***  
Allocates \$55,000 for a childhood and adult arthritis program, unless otherwise adjusted pursuant to Sec. 263.
- Sec. 1024. *Spinal Cord Injury Program Allocation***  
Allows the Department to allocate funds for spinal cord injury programs if federal funding becomes available.

**Sec. 1025. Battle Creek Diabetes and Kidney Program Allocation - VETOED**

Allocates up to \$50,000 for a Battle Creek diabetes and kidney prevention program.

**Sec. 1026. Sickle Cell Program Funds from Chronic Disease Prevention**

Contingent on the availability of funds appropriated for chronic disease prevention, the Department may provide funds for a sickle cell anemia program for allocation to specific entities.

**Sec. 1027. Sickle Cell Program Funds from African-American Male Health Initiative**

Contingent on the availability of funds appropriated for the African-American male health initiative, the Department may provide funds for a sickle cell anemia program for allocation to specific entities.

**Sec. 1028. African-American Male Health Initiative Funding**

Contingent on the availability of funds appropriated for the African-American male health initiative, the Department may allocate funds to the African-American male health initiative at Henry Ford Health System.

**COMMUNITY LIVING, CHILDREN, AND FAMILIES**

**Sec. 1101. Reallocation of Funds for Certain Programs in Cases of Underexpenditures**

Requires the Department to review the basis for the distribution of funds to local health departments and other agencies from various programs in the Community Living, Children, and Families appropriation unit and the WIC program and indicate the basis on which any projected underexpenditures are to be reallocated to other local agencies that demonstrate need.

**Sec. 1102. Local Policies and Participation for Adolescent Health Care Services Funding**

Establishes criteria for agencies that receive funds for adolescent health care services, including annual reporting, creation of a local advisory committee, abortion and parental consent policies, a process for billing third-party payers, coordination with local school board for services rendered in a public school building; and requires a report by the Department.

**Sec. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs**

Requires the Department to report by April 1, 2003, on planned allocations and additional actual service and expenditure data for local maternal and child health services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs.

- Sec. 1105. *Contract with Local Agencies Best Able to Serve Clients***  
Requires the Department to contract for services to be provided through the Community Living, Children, and Families appropriation unit with local agencies best able to serve clients. Factors upon which to evaluate an agency's ability to serve clients are described.
- Sec. 1106. *Family Planning Title X Funding Compliance***  
Requires that family planning programs receiving federal Title X funds be in compliance with federal performance and quality assurance indicators, and that those agencies not in compliance shall not receive supplemental or reallocated funds.
- Sec. 1106a. *Abstinence Education Program Requirements***  
Establishes specific items of instruction as requirements for abstinence education programs expending federal abstinence education funds. Directs that funded programs target teenagers most likely to engage in high-risk behavior. Gives priority in allocation of funds to programs that do not provide contraceptives to minors and that strive to include parental involvement. Qualifying programs may receive such funds directly from the Department.
- Sec. 1107. *Prenatal Care Outreach Administrative Cost Limit***  
Restricts local administrative, data processing, and evaluation costs to 10% of the amount appropriated for prenatal care outreach and service delivery support.
- Sec. 1108. *Restrictions on Use of Pregnancy Prevention Funding***  
Prohibits pregnancy prevention appropriation line item funds from being used for abortion counseling, referrals, or services.
- Sec. 1109. *Volunteer Dental Services Program for the Uninsured***  
Allocates funds from the dental program to the Michigan Dental Association to administer a volunteer dental program to provide dental services to the uninsured; requires a report by the Department to be made available upon request not later than November 1, 2002.

- Sec. 1110. *Designation of Delegate Agencies for Family Planning/Pregnancy Prevention Funds***  
Agencies currently receiving pregnancy prevention and family planning funds shall have the option of receiving those funds directly from the Department and be designated as delegate agencies.
- Sec. 1111. *Allocation of Funds for Services for Family Planning and Pregnancy Prevention***  
Directs the Department to allocate no less than 87% of family planning and pregnancy prevention funds for the direct provision of services.
- Sec. 1112. *Allocation for Communities with High Infant Mortality Rates***  
Allocates at least \$1,000,000 to communities with high infant mortality rates.
- Sec. 1113. *Allocation of Funds for Fetal Alcohol Syndrome Education and Outreach***  
Contingent on the availability of additional funds appropriated, including funds pursuant to Sec. 263, requires the Department to allocate \$200,000 for education and outreach on fetal alcohol syndrome, the dangers of drug use during pregnancy, and neonatal addiction, and for further development of infant support services to affected families.
- Sec. 1115. *Pilot Grants to Higher Education for Parenting and Pregnancy Support for Students***  
Allows the Department to allocate \$200,000 for pilot grants to institutions of higher education for services for enrolled students in need of pregnancy and parenting resources and support services, which may be established as a three-year work project.
- Sec. 1120. *Allocation of Funds to Local Health Departments for Medicaid Outreach***  
Allocates appropriate funds to local public health departments for the purpose of providing EPSDT, maternal and infant support services outreach, and other Medicaid outreach and support services.
- Sec. 1121. *Children's Respite Services Allocation***  
Contingent on the availability of funds appropriated, allows the Department to allocate \$150,000 for continuation of children's respite services that were funded in FY 2000-01.

- Sec. 1124. *Statewide Fetal Infant Mortality Review Network Allocation of Funds – PARTIAL VETO***  
Subsection (1) requires the Department to allocate \$450,000 from federal maternal and child health block grant funds for the statewide fetal infant mortality review network, if additional block grant funds are available. Subsection (2) directs that the network be funded with a like amount in FY 2003-04 if federal funds become available. Veto eliminated subsection (1).
- Sec. 1128. *Federal Medicaid Funding for the Migrant Health Care Program***  
Requires the Department to make every effort to maximize the receipt of federal Medicaid funds to support the activities of the migrant health care program, as funded by the migrant health services appropriation line item.
- Sec. 1129. *Report of Elevated Blood Lead Levels***  
Requires the Department to annually report to the Legislature on the number of children with elevated blood lead levels, by county, and indicating the blood lead level.
- Sec. 1133. *Infant Mortality Data Release***  
Requires the Department to release infant mortality rate data to all local public health departments no later than 48 hours prior to releasing infant mortality rate data to the public.
- Sec. 1134. *Suicide Prevention Funding***  
Allows the department to provide \$100,000 to the yellow ribbon suicide prevention program for a pilot project, on the condition that unallocated funds are available in the special projects line item following allotment of funds to existing programs that are required to be funded under this act.
- Sec. 1135. *Services for Sponsored Aliens***  
Requires the Department to implement a sponsor-to-alien deeming policy for aliens seeking services under any means-tested state-funded program; and to seek reimbursement from sponsors for nonqualified aliens who have received services.
- Sec. 1136. *Child Advocacy Center Funding - VETOED***  
Allocates \$1.1 million to child advocacy centers in Michigan, with \$100,000 being allocated to each of 11 centers.

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

### ***Sec. 1150. Federal Summer Food Service Program for Children***

Requires that the Department, in administering the federal summer food service program for children, effectively utilize resources and infrastructure in place for existing food programs administered by the Department and other state agencies when possible.

### ***Sec. 1151. Farmer's Market Nutrition Program Local Contributions***

Allows the Department to work with local participating agencies to define local annual contributions for the Farmer's Market Nutrition Program, Project FRESH, to enable the Department to request federal matching funds by April 1, 2003, based on local commitment of funds.

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

### ***Sec. 1201. Medical Care and Treatment Reimbursement Policies***

Requires that payments for medical care and treatment be made consistent with the reimbursement policies of the Michigan medical services program.

### ***Sec. 1202. Children's Special Health Care Services Coverage***

Allows the Children's Special Health Care Services program to provide (a) special formula for persons with certain metabolic and allergic disorders; (b) treatment to persons age 21 or older with cystic fibrosis; (c) genetic diagnostic and counseling services; and (d) services to persons age 21 or older with hemophilia.

### ***Sec. 1203. Referrals to Locally-Based Services Programs***

Requires that the Department refer clients of the program to the locally-based services program in their community.

## **CRIME VICTIM SERVICES COMMISSION**

### ***Sec. 1301. Crime Victim Services Commission Per Diem***

Authorizes crime victim services commission per diem amount of \$50.

**Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs**

Allocates up to \$50,000 for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. Unexpended funds shall be carried forward.

**Sec. 1303. Reimbursement of Victim Medical Services Costs Upon Statutory Authorization**

If Senate Bill 552 of the 91<sup>st</sup> Legislature is enacted into law with an effective date in FY 2002-03 and it authorizes such reimbursement, victims of criminal sexual assault shall be eligible to obtain reimbursement for the costs of any medically necessary services that may be needed for evidence to prosecute an offender, and that would otherwise be the financial responsibility of the victim.

**Sec. 1304. Sexual Assault Evidence Collection Procedures**

Requires the Department to work with other named entities to ensure that certain recommended procedures are followed in the collection of evidence in cases of sexual assault.

**OFFICE OF SERVICES TO THE AGING**

**Sec. 1401. Persons Who Qualify for Certain Senior Program Funding**

Funding for community, nutrition, and home services is restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under certain federal provisions.

**Sec. 1403. Home-Delivered Meals Waiting Lists**

Requires regions to report home-delivered meals waiting lists to the Office of Services to the Aging; criteria for being on the waiting list are stated.

**Sec. 1404. Authorization for Spending for Senior Day Care, Care Management, Respite Care**

Allows area agencies on aging and local providers to receive and expend fees for the provision of day care, care management, respite care, and certain eligible home and community-based services. Fees shall be based on a sliding scale, taking client income into consideration, and shall be used to expand services.

**Sec. 1406. Allocation of Respite Care Tobacco Settlement Funds for Direct Care**

Requires that the \$5,000,000 respite care appropriation of tobacco settlement funds shall be used only for direct respite care or adult respite care center services, and shall be allocated according to a long-term care plan. Not more than 10% of the allocation shall be expended for administrative purposes.

**Sec. 1407. Long-Term Care Advisor**

Requires that the \$761,000 long-term care advisor appropriation of tobacco settlement funds shall be allocated according to a long-term care plan, and that the activities of the long-term care advisor shall support awareness for a continuum of care for older adults and shall promote and support family involvement.

**Sec. 1408. Contract for Local Senior Services According to Locally-Determined Needs**

Requires the Office of Services to the Aging to award local funds in accordance with locally-determined needs.

**Sec. 1413. Support of Locally-Based Community Senior Services**

Establishes the Legislature's support of locally-based services, support of local counties in their approval of area agency on aging plans and in changing membership of area agencies on aging in their region, and the Legislature's intent to prohibit area agencies on aging from providing direct services unless a waiver has been received from the Department.

**Sec. 1416. Support for In-Home Services for Non-Medicaid Seniors**

Establishes the Legislature's commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home and community-based services waiver program.

**MEDICAL SERVICES ADMINISTRATION**

**Sec. 1505. Health Care Coverage Options for the Working Disabled**

Directs the Department of Community Health, in conjunction with the Department of Consumer and Industry Services, to explore options for extending health coverage to the working disabled through the federal "Ticket to Work" legislation, and requires a report by October 1, 2002.

**Sec. 1507. Ticket to Work Initiative Work Project**

Establishes \$50,000 for the "Ticket to Work" program as a work project to be carried forward in FY 2002-03.

**Sec. 1508. School District Health Center Training and Assistance –VETOED**

Allocates \$200,000 for School district health center training and assistance in MIChild enrollment, delivery system coordination, and service reimbursement procedures.

## **MEDICAL SERVICES**

**Sec. 1601. Remedial Services Costs and Medicaid Eligibility**

Requires remedial service costs to be used in determining medically-needy eligibility for those in adult foster care and homes for the aged.

**Sec. 1602. Medicaid Eligibility for the Elderly and Disabled**

Provides Medicaid eligibility to low income elderly and disabled persons up to 100% of the poverty level.

**Sec. 1603. Medical Services Buy-In Program**

Allows the Department to establish a statewide program for persons to purchase medical coverage at a rate determined by DCH.

**Sec. 1604. Medicaid Spend-Down Protected Income Level**

Directs the department to report by November 1, 2002 on the steps required to increase the Medicaid protected income level to the Social Security substantial gainful activity level for persons receiving social security disability.

**Sec. 1605. Medicaid Protected Income Level**

Establishes the Medicaid protected income level at 100% of the public assistance standard and requires 90-day notice prior to implementation of changes in the protected income level.

**Sec. 1606. Medicaid Eligibility Deduction for Guardian and Conservator Charges**

Limits the allowable deduction for guardian and conservator charges to \$60 per month when determining Medicaid eligibility and patient pay amounts.

**Sec. 1607. Medicaid Presumptive Eligibility for Pregnant Women**

Stipulates that Medicaid applicants whose qualifying condition is pregnancy shall be presumed to be eligible unless the preponderance of the evidence in the application indicates otherwise. Sets procedures to facilitate access to health care for pregnant women including provision of an authorization letter, a listing of Medicaid physicians and health plans, and exemption from mandatory managed care enrollment.

**Sec. 1607 is repealed by Public Act 746 of 2002 and replaced with revised language in Sec 1319 of PA 746.**

- Sec. 1608. *Patient Rights and Responsibilities Pamphlet***  
Provides for a pamphlet on patient rights and responsibilities to be updated and distributed to providers.
- Sec. 1610. *Provider Cost Report Grievance Procedure***  
Requires the Department to provide a cost report grievance process for medical providers and payment within nine months following submission of cost reports.
- Sec. 1611. *Medicaid Payment in Full Provisions***  
Requires Medicaid payment rate to be accepted as payment in full, including payments from other third-party sources. The Hospital Services payments for persons who are dually eligible for Medicare and Medicaid are to include capital payments in determining the Medicaid reimbursement amount.
- Sec. 1612. *Uniform Medicaid Billing Form – PARTIAL VETO***  
Expresses legislative intent that a uniform Medicaid and school-based services billing form be developed and requires bimonthly reports on the progress of the initiative. Veto eliminated the requirement that HMOs adhere to the time frames for payment to providers provided in state law (subsection 2).
- Sec. 1615. *Medicaid Electronic Billing***  
Allows the Department to require enrolled Medicaid providers to submit their billings electronically and requires the implementation of a program for Medicaid providers to submit their bills over the internet by April 1, 2003.
- Sec. 1620. *Pharmacy Dispensing Fee and Copayments***  
Maintains the pharmacy dispensing fee at \$3.77 or the pharmacy's usual and customary charge, whichever is less. Sets the dispensing fee for managed care recipients at the usual charge allowed by the patient's HMO if it is less than \$3.77 and the pharmacy's usual and customary charge. Requires prescription copayments for Medicaid recipients except as prohibited by federal or state law or regulation.
- Sec. 1621. *Drug Utilization Review and Disease Management***  
Authorizes drug utilization review and disease management systems with physician oversight and consultation with various medical provider groups. Prohibits therapeutic substitution.

**Sec. 1622. *Pharmaceutical Best Practice Initiative***

Specify conditions for the continued implementation of the department's pharmaceutical initiative related to the prior authorization process, the pharmacy and therapeutics committee, and reporting requirements.

**Sec. 1623. *Dispensing of Maintenance Drugs***

Continues the current Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs and notice to medical providers regarding this policy. Requires dispensing medication in the quantity prescribed unless subsequent consultation with the physician indicates otherwise.

**Sec. 1624. *Tobacco Settlement Funds for EPIC***

Appropriates an additional \$20 million in tobacco settlement funds for the EPIC program if the state budget director certifies that the federal funds appropriated are not available and there is sufficient tobacco settlement revenue available.

**Sec. 1627. *Drug Rebates for the State Medical Program and CSHCS Program***

Authorizes the Department to secure manufacturer drug rebates for participants in the State Medical, Children's Special Health Care Services, and EPIC programs that are equivalent to Medicaid rebates, and allows for preauthorization of drugs if rebates are not provided.

**Sec. 1627 is repealed by Public Act 746 of 2002 and replaced with revised language in Sec 1318 of PA 746.**

**Sec. 1628. *Medicaid Pharmacy Rebate Savings and the EPIC Program***

Expresses legislative intent that Medicaid pharmacy rebate savings over the budgeted amount should first be used to offset pharmacy costs above the appropriated level and then to expand coverage under the EPIC program.

**Sec. 1630. *Medicaid Dental, Podiatric, and Chiropractic Services***

Continues adult dental, podiatric, and chiropractic services at not less than the level provided on October 1, 1996. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year.

**Sec. 1631. *Copayments for Dental, Podiatric, Chiropractic, Vision, and Hearing Services***

Requires copayments on dental, podiatric, chiropractic, vision and hearing aid services unless prohibited by law or regulation.

**Sec. 1633. *Healthy Kids Dental Program Expansion***

Requires the Department to expand the Healthy Kids Dental program statewide if the funds become available specifically for this purpose.

**Sec. 1634. *Continuation of Ambulance Services Payment Rate***

Requires continuation of the FY 2000-01 5% increase in ambulance service payment rates.

**Sec. 1641. *Institutional Provider Costs Reports***

Requires institutional providers to submit their cost reports within five months of the end of the fiscal year.

**Sec. 1643. *Psychiatric Residency Training Program***

Allocates \$3,635,100 from Graduate Medical Education funds for a psychiatric residency training program if the universities involved provide the necessary Medicaid matching funds.

**Sec. 1645. *Hospital Adjustor Formula - VETOED***

Directs the Department to implement a hospital adjustor formula to be paid as a 27% Medicaid rate increase, not to exceed \$6.0 million, contingent upon passage of a \$0.30 or greater increase in the cigarette tax. The payments would go to hospitals in counties with few than 250,000 people, municipalities with a population under 10,000, and those with fewer than 75 beds.

**Sec. 1646. *Hospital Transition Funds – VETOED***

Allocates \$ 1.0 million to hospitals to offset facility closure costs, and transition costs for hospitals converting to an urgent care center or federally qualified health center.

**Sec. 1647. *Continuation of Graduate Medical Education Payments***

Requires graduate medical education payments to hospitals at no less than the level of rates and payments in effect on April 1, 2002.

**Sec. 1648. *Automated Toll-Free Eligibility Verification Phone Line***

Requires the Department to maintain an automated toll-free phone line for medical providers to verify Medicaid eligibility.

**Sec. 1649. *Breast and Cervical Cancer Treatment Coverage***

Directs the Department to establish breast and cervical cancer treatment coverage for uninsured women under age 65 and with incomes below 250% of the poverty level, pursuant to new federal legislation.

**Sec. 1650. *Mandatory Managed Care Enrollment Requirement***

Authorizes continuation of Medicaid managed care and assignment of recipients who do not select a provider. Requires notice of exception criteria to enrollment, the right to change plans, and complaint/grievance procedures. Specifies the criteria for medical exceptions to mandatory managed care enrollment.

**Sec. 1651. *Hospice Services Under Medicaid Managed Care***

Allows access to hospice services for Medicaid patients enrolled in health maintenance organizations.

**Sec. 1653. *Conditions for Implementation of Medicaid Managed Care Plans - VETOED***

Establishes conditions for implementation of Medicaid managed care plans related to continuity of care, submission of HMO data for evaluation, health plan advisory council, and choice of plans and prohibits mandatory enrollment in non-metropolitan areas with only one HMO unless there is a choice of two or more physicians. Maintains voluntary enrollment in the Children's Special Health Care Plan, and requires a budget neutral case rate adjustment for persons with AIDS and other high cost conditions.

**Sec. 1303 of Public Act 746 of 2002 restores language providing for voluntary enrollment in managed care for Children's Special Health Care participants.**

**Sec. 1654. *HMO Internal Quality Assurance Program - VETOED***

Requires HMOs to have an internal quality assurance program and specifies various standards for such plans.

**Sec. 1655. *Twelve-Month Lock-In for HMO Enrollment***

Allows for a 12-month lock-in to HMOs with good cause exceptions and allows recipients to change plans for any reason within the first 90 days.

**Sec. 1656. HMO Expedited Complaint Review Procedures**

Requires an expedited grievance procedure for Medicaid recipients enrolled in qualified health plans, and a toll free phone number to assist with resolving problems and complaints. Annual reports on the complaints received and their resolution are required.

**Sec. 1657. HMO Reimbursement for Hospital ER Services and Solvency Standards – PARTIAL VETO**

Requires reimbursement for emergency room services to screen and stabilize the patient without prior authorization by an HMO, and notice to the HMO regarding the patient's diagnosis and treatment within 24 hours of discharge. Prior authorization by the HMO is required for further services beyond stabilization. Veto eliminated requirement that DCH receive assurances from Office of Financial and Insurance Services that new Medicaid HMOS meet net worth and solvency standards (subsection 4).

**Sec. 1309 of Public Act 746 of 2002 restores vetoed language concerning HMO net worth and solvency standards.**

**Sec. 1658. HMO Contracts with Hospitals - VETOED**

Expresses legislative intent that HMOs shall have contracts with local hospitals, and requires reimbursement to non-contracted hospitals at Medicaid fee-for-service rates. Also requires hospitals that do not contract with HMOs in their service area to enter into a hospital access agreement as specified in a MSA policy bulletin.

**Sec. 1322 of Public Act 746 of 2002 restores vetoed language concerning HMO contracts with hospitals.**

**Sec. 1659. Applicable Boilerplate Sections for Medicaid Managed Care**

Specifies the Medical Services boilerplate sections that apply to Medicaid managed care programs.

**Sec. 1660. Access to EPSDT, Well Child, and Maternal and Infant Support Services – PARTIAL VETO**

Requires timely access to EPSDT services for children enrolled in Medicaid managed care programs. Specifies primary care provider's responsibility for assuring child's vision and hearing screening. Requires local health departments to provide preschool vision and hearing screenings and accept referrals. Veto eliminated requirement that HMOs provide EPSDT utilization data, well child visits, and maternal and infant support services as described in Medicaid policy, and that DCH provide for budget neutral incentives to improve performance related to the care of children and pregnant women (subsections 3-5).

- Sec. 1661. *Prohibition on Prior Authorization for EPSDT and MSS/ISS Services – PARTIAL VETO***  
Requires timely access to Maternal/Infant Support services (MSS/ISS) and coordination with other state or local programs. Veto eliminated the prohibition of prior authorization for EPSDT and MSS/ISS screening referrals and up to three MSS/ISS service visits (subsection 2).  
**Sec. 1310 of Public Act 746 of 2002 restores vetoed language concerning the prohibition of prior authorization for EPSDT and MSS/ISS screening referrals and up to three MSS/ISS service visits.**
- Sec. 1662. *Review and Analysis of EPSDT and MSS/ISS Performance***  
Requires the external quality review contractor to conduct a review of all EPSDT components and directs the Department to submit copies of the analysis of HMO HEDIS reports and the annual external quality review report within 30 days. Also requires the Department to work with the Michigan Association of Health Plans and the Michigan Association for Local Public Health to improve EPSDT and MSS/ISS services, and provide training on EPSDT and MSS/ISS.
- Sec. 1663. *Coordination Related to MSS/ISS and Healthy Kids/MICChild Applications***  
Requires local health departments and HMOs to work with hospitals on training and coordination related to MSS/ISS referrals. Health departments are also required to work with various local organizations on training and coordination to distribute and facilitate the completion of MICChild and Healthy Kids application forms.
- Sec. 1670. *MICChild Program Eligibility***  
Specifies that the funds appropriated for the MICChild Program are to be used to provide health care to children under age 19 in families with income below 200 % of the federal poverty level who have not had health insurance within six months of making application for MICChild benefits. Health care coverage is to be provided through expanded Medicaid eligibility for children in families up to 150% of poverty, and through a state-based private health care program for children in families between 150% and 200% of poverty. Requires the Department to contract with any qualified HMO, dental care corporation, health care corporation or other entity which offers to provide the MICChild health care benefit at the capitated rate.
- Sec. 1671. *MICChild Marketing and Outreach***  
Requires the Department to continue a comprehensive approach to the marketing and outreach of the MICChild program, and to coordinate such efforts with the Department's existing outreach and marketing activities.

- Sec. 1672. *Continuous Eligibility for MIChild Participants***  
Allows the Department to provide up to one year of continuous eligibility for the MIChild Program unless the family members no longer meet the eligibility criteria or fails to pay the monthly premium.
- Sec. 1673. *MIChild Premiums***  
Allows the Department to establish premiums for eligible persons above 150% of the poverty level not to exceed \$5 per month for a family.
- Sec. 1674. *Prohibition on MIChild Copayments***  
Prohibits copayments under the MIChild Program.
- Sec. 1675. *Medicaid and MIChild Continuity of Care***  
Assures continuity of care for persons whose category of MIChild eligibility changes due to family income.
- Sec. 1676. *MIChild Eligibility Verification***  
Specifies the income level and verification requirements to be used in determining eligibility for the MIChild program.
- Sec. 1677. *MIChild Benefits***  
Specifies the benefits to be covered by the MIChild program based on the state employee insurance plan.
- Sec. 1680. *Nursing Home Wage Pass-Through – VETOED***  
Expresses legislative intent that previous nursing home wage pass through payments be continued, and requires a report on nursing home wage and benefit increases provided in FY 2001-02.
- Sec. 1681. *Home and Community Based Services – VETOED***  
Requires the Department and local waiver agents to encourage the use of family members, friends, and neighbors to provide non-medical home and community based services, where appropriate.
- Sec. 1682. *OBRA Nursing Home Enforcement Provisions***  
Authorizes the Department to implement federal nursing home enforcement provisions and to receive/expend penalty money for noncompliance.

- Sec. 1683. *Dignity and Rights of Terminally Ill and Chronically Ill Patients***  
Requires the Department to promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals, including hospice care, pain management, and suicide prevention.
- Sec. 1684. *Nursing Home Wage Pass-Through – VETOED***  
Directs the department to make available up to ½ of the economic increase for a wage pass-through to nursing home employees, up to a maximum of \$0.50 per employee hour.
- Sec. 1684a. *Wage Pass-Through and Union Fees – VETOED***  
Prohibits nursing home wage pass-through funding from going to pay union fees or other fees.
- Sec. 1685. *Prospective Setting of Medicaid Nursing Home Payment Rates – VETOED***  
Requires Medicaid nursing home payment rates to be set 30 days in advance of the facility's fiscal year, and to be based on the most recent cost report submitted.  
**Sec. 1311 of Public Act 746 of 2002 restores vetoed language concerning prospective nursing home rate setting.**
- Sec. 1687. *Long-Term Care Working Group – VETOED***  
Authorizes continuation of the Long-Term Care Working Group to review the allocation of the Long-Term Care innovation grants funding and to monitor the demonstration grants being funded. Prohibits implementation of the long-term care plan until at least 24 days after the plan is developed and while at least one chamber of the Legislature is in session.  
**Sec. 1312 of Public Act 746 of 2002 restores vetoed language concerning the Long-Term Care Working Group and implementation of the long-term care plan.**
- Sec. 1688. *Personal Care Services Rate Cap – VETOED***  
Prohibits a limit on personal care services reimbursement under the Home and Community-Based Services program, but allows the Department to maintain the per day client reimbursement cap.

**Sec. 1689. Home and Community Based Services – VETOED**

Directs the Department to develop an allocation formula that allows for coverage of not less than 15,000 persons through the Home and Community Based Services program (unless a smaller number is required under federal law). Gives priority to enrolling persons currently residing in nursing homes or who are eligible to be admitted to a nursing home. Also requires quarterly reports on actual usage and expenditures and allocations by region.

**Sec. 1690. Long Term Care Managed Care Pilot Project – VETOED**

Includes a new Senate section that requires the Department to allocate \$1.0 million for a pilot project to assess whether a managed care approach to the full spectrum of long-term care services can provide an appropriate level of care at a lower cost than achieved through purchasing those services on an individual basis. Deletes reference to specific organization. Deletes House provision that requires the department to work with community and other stakeholders and the long-term care work group to develop key elements of the pilot project.

**Sec. 1691. County-Based Indigent Health Care Programs**

Establishes a funding pool of \$44,012,800 for the Wayne County Pluscare program. Allows the Department to establish county indigent health care programs that, at a minimum, are equivalent to the State Medical Program, do not increase GF/GP expenditures, and provide local funds.

**Sec. 1692. Medicaid School-Based Services**

Provides authorization for Medicaid reimbursement of school-based services.

**Sec. 1693. Medicaid Special Adjustor Payments Increase**

Allows for an increase in Medicaid special adjustor payments if a Medicaid state plan amendment for such payments above the appropriated level is submitted.

**Sec. 1694. Allocation to Children's Hospitals**

Authorizes distribution of funds to children's hospitals with a high indigent care volume for poison control services

**Sec. 1696. *Magnetic Card Identification System***

Requires the Department to complete a study by October 1, 2002 on the benefits of a magnetic card identification system to interface with various state benefit programs and to assist with the eligibility verification process.

**Sec. 1697. *Local Match Funds for School-Based or School-Linked Services***

Allows the Department to utilize school district funds received from a health system as the state match for federal Medicaid or children's health insurance program funds to be used for new school-based or school-linked services.

**Sec. 1699. *Disproportionate Share and Graduate Medical Education Payments***

Authorizes separate payments for hospitals serving a disproportionate share of indigent payments and those hospitals providing graduate medical education.

**Sec. 1700. *Federal Medicaid Waivers***

Prohibits the submission of a Medicaid waiver to the federal government unless it is submitted to the House and Senate Appropriations Subcommittees on Community Health 30 days in advance.

**Sec. 1701. *Nursing Home Quality Incentive Program – VETOED***

Re-establishes a nursing home quality care incentive program that provides incentives for nursing homes to develop high quality services, but specifies that funding is contingent upon an increase in the federal Medicaid match rate.

**Sec. 1702. *HCBS and Subsidized Housing Pilot Project – VETOED***

Requires the Department to work with local waiver agents to implement a pilot project coordinating Section 8 rental assistance subsidies with Medicaid home and community based services for 100 persons in assisted living housing who otherwise would be eligible to receive Medicaid nursing home services.

- Sec. 1703. *Accessing Community-Based Support Project – VETOED***  
Allocates up to \$200,000 to the Michigan Association of Centers for Independent Living to facilitate the transition of disabled persons from nursing homes to community settings. if additional funds become available.  
**Sec. 1314 of Public Act 746 of 2002 restores vetoed language concerning funding for the transition of disabled persons from nursing homes to community settings, but this section was also vetoed.**
- Sec. 1704. *Medicaid Hospital Bulletin***  
Deletes all references to hospital per diem payments from MSA hospital bulletin 01-03.
- Sec. 1706. *Pharmaceutical Program Public Information Campaign***  
Requires the Department to implement a public information campaign on the pharmaceutical best practice initiative.
- Sec. 1709. *Indigent Health Care***  
Reimburses Wayne County for any reduction in its distribution for indigent health care directly resulting from changes to the airport parking tax act.
- Sec. 1710. *MIChoice Home and Community Based Services – VETOED***  
Requires the department to report proposed changes in the MIChoice home and community based services waiver program screening process to the House and Senate Appropriations Subcommittees on Community Health at least 30 days prior to implementation.  
**Sec. 1315 of Public Act 746 of 2002 restores vetoed language concerning the 30 day notice requirement for proposed changes to the HCBS waiver program screening process.**
- Sec. 1711. *Medicaid Hospital Utilization Report***  
Requires the Department to provide an annual report on the hospitalization utilization of Medicaid recipients by diagnostic-related groups.
- Sec. 1712. *Long-Term Care, HMOs, Hospital Services and Medicaid Managed Care – VETOED***  
Clarifies that appropriations for Long-Term Care, HMOs, Hospital Services, and Medicaid Managed Care are specified in this act, notwithstanding the provisions in the recent changes in Public Acts 303 and 304 related to provider assessments.

**Sec. 1713. School Based Services - REPEALED**

Specifies that reimbursement for school based services shall only be made to school districts that are not in default on contracts with vendors providing billing services for Medicaid school based services.

**Sec. 1321 of Public Act 746 of 2002 modifies vetoed language to limit payments for school based administrative services to districts that agree to disburse funds to Medicaid billing vendors.**

**Sec. 1714. Hospital Services Appropriation**

Reduces the Hospital Services appropriation by \$149.2 million if HB 5103, the hospital provider assessment bill, is not enacted.

**Sec. 1715. Medicaid Benefits Trust Fund**

Directs any additional funds that are available from an increase in the federal Medicaid match rate above 55.42% that are not appropriated in sections 449 and 1701 to be deposited in the Medicaid Benefits Trust Fund.

**FY 2002-03 SUPPLEMENTAL ACTIONS**

**PUBLIC ACT 746 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

**Sec. 1303. Children's Special Health Care Services**

Continues the current policy that enrollment of Children's Special Health Care recipients in Medicaid HMOs shall be voluntary.

**Sec. 1307. Fetal Infant Mortality Network - VETOED**

Allocates additional federal maternal and child health block grant funds for the statewide fetal infant mortality review network, if the funds are available.

**Sec. 1309. HMO Financial Solvency Requirements**

Requires any new HMOs that contract with the Medicaid program after October 1, 2002 to meet the net worth and solvency requirements in the Insurance Code.

- Sec. 1310. *EPSDT and Maternal and Infant Support Services***  
Prohibits HMOs from requiring prior authorization for EPSDT services, maternal and infant support screening referrals, or up to 3 MSS/ISS visits.
- Sec. 1311. *Medicaid Nursing Home Payment Rates***  
Requires Medicaid nursing home payment rates to be set 30 days in advance of the facility's fiscal and be based on the most recent cost report submitted.
- Sec. 1312. *Long-Term Care Working Group***  
Continues the Long-Term Care Working Group and prohibits implementation of the long-term care plan until at least 24 days after the plan is developed.
- Sec. 1314. *Accessing Community Based Support Project - VETOED***  
Allocates up to \$200,000 to the Michigan Association of Centers for Independent Living to transition disabled persons from nursing homes if funds are available.
- Sec. 1315. *Home and Community Based Services Screening Process***  
Requires changes to the Home and Community Based Services screening process to be submitted to the Legislature at least 30 days prior implementation.
- Sec. 1316. *Salvation Army Harbor Light and Turning Point Programs***  
Directs the Department to contract directly with the Salvation Army Harbor Light and Turning Point programs to provide non-Medicaid substance abuse services at the FY 2001-02 contracted amounts without additional administrative funds.
- Sec. 1317. *Pharmaceutical Services and Children's Special Health Care***  
Exempts Children's Special Health Care Services recipients from needing prior authorization for prescribed drugs through the Pharmaceutical Best Practice initiative.
- Sec. 1318. *Children's Special Health Care and Pharmaceutical Rebates***  
Excludes prescribed drugs provided through the Children's Special Health Care program from the pharmaceutical rebate program.

**Sec. 1319. Medicaid Eligibility for Pregnant Women**

Revises current boilerplate to allow a pregnant woman who qualifies for Medicaid to obtain care from the obstetrician of her choice, without prior authorization from the health plan. It also requires payment for obstetric and prenatal care at Medicaid fee-for-service rates if there is no contract between the medical provider and the managed care plan.

**Sec. 1320. Ventilator Hospital Beds**

Requires ventilator hospital beds to be included in establishing the number of a licensed hospital's acute care beds.

**Sec. 1321. School Based Services Payments**

Limits payments for school based administrative services to school districts certifying that any disbursed funds shall go to vendors that provided Medicaid billing services between 1998 and 2002

**Sec. 1322. Medicaid Managed Care Hospital Contracts**

Requires hospitals that do not contract with HMOs to enter into hospital access agreements.

**Sec. 1323. Medicaid Emergency Room Case Rate**

Requires continuation of a 2-tier Medicaid case rate for emergency physician charges. Implementation is to be budget neutral so that reimbursement does not exceed the payment rates in FY 2001-02.

**FY 2001-02 SUPPLEMENTAL ACTIONS**

**PUBLIC ACT 120 OF 2001 SUPPLEMENTAL APPROPRIATIONS**

**Sec. 225. Pilot Grants to Higher Education for Parenting and Pregnancy Support for Students - VETOED**

Allocates \$200,000 for pilot grants to institutions of higher education for services for enrolled students in need of pregnancy and parenting resources and support services, as a three year work project.

**Sec. 226. *Sustain Migrant Health Care Funding Level***

Indicates legislative intent that the Department restores funding reduced for migrant health care in FY 2000-01 and continues to fund the program at the FY 2000-01 enacted appropriation levels from existing resources.

**Sec. 227. *Federal Health Insurance Flexibility and Accountability (HIFA) Waiver***

Prohibits the Department from submitting a federal Health Insurance Flexibility and Accountability (HIFA) waiver or similar proposal to the federal government unless approved by the House and Senate Appropriations subcommittees on Community Health.

**Sec. 227a. *Cancer Prevention Program Allocations to Universities***

Allocates \$500,000 from cancer prevention and control program funds to each of the following: the Karmanos Cancer Institute/Wayne State University, the University of Michigan Comprehensive Cancer Center, and Michigan State University for cancer prevention activities consistent with the current priorities of the Michigan Cancer Consortium.

**PUBLIC ACT 530 OF 2002 SUPPLEMENTAL APPROPRIATIONS**

**Sec. 451. *Bioterrorism Preparedness Program Report to Legislature***

Requires the Department to report to the Legislature as soon as possible on the public health preparedness and response to bioterrorism initiative, and on the bioterrorism hospital preparedness plan.

**Sec. 452. Contingency Appropriation of \$100 Million for CMHSPs**

Authorizes the Department to establish a separate contingency appropriations account, in an amount not to exceed \$100 million, for the purpose of providing an increase in Medicaid capitation rates for CMHSPs. Specifies that, in order to receive a capitation rate increase, CMHSPs or affiliations of CMHSP provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program. Requires the distribution of the rate increase to be based on a formula developed by a Committee established within the Department that includes representatives from CMHSPs or affiliations of CMHSPs and departmental staff. Specifies the criteria to be used in developing the distribution formula for the Medicaid capitation rate increase. Permits the Committee to recommend changes in the funding formula for CMH non-Medicaid payments. Requires the Committee to report its findings to the House and Senate Appropriations Subcommittees on Community Health. Prohibits the enactment of this section resulting in any increase in the local match or county match obligations above the FY 2001-02 funding level for mental health services. Prohibits the implementation of this section if it does not comply with federal laws or regulations

**Sec. 454. Medicaid Hospital Payments**

Authorizes the Department to make increased payments for Medicaid services to hospitals where the nonfederal share of the payment is obtained from local units of government. Such payments are contingent on not exceeding the federal Medicaid upper payment limit requirements.