



**FY 2004-05 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
Public Act No. 349 of 2004
And Supplemental Actions**

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**FY 2004-2005 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 Health Regulatory Systems, Office of Drug Control Policy, the Office of Services to the Aging, and the Crime Victim Services Commission. Public Act 349 of 2004 is the appropriation act for the Department of Community Health in FY 2004-05 that includes authorized funding totaling \$10.2 billion, of which \$2.6 billion is from GF/GP revenues. Highlights of Public Act 349 follow.

1. *Economic Adjustments*

A net funding adjustment of \$38,333,000 Gross (\$14,977,000 GF/GP) is included. This includes a funding increase of \$55.1 million Gross (\$21.8 million GF/GP) for economic adjustments related to employees' salaries and wages, insurance, retirement, and rent and building occupancy charges. The increase is partially offset by unspecified employee-related reductions of \$16.7 million Gross (\$6.8 million GF/GP). Recent information indicates that these reductions will be realized through extension of the Banked Leave Time Program.

2. *Human Resources Optimization Savings*

Savings of \$262,300 Gross (\$133,800 GF/GP) are achieved by consolidating Human Resources functions into a Call Center established within the Department of Civil Service.

3. *Actuarially Sound Rates for Medicaid Mental Health and Substance Abuse Services*

The budget includes an additional \$29,314,300 Gross (\$12,690,200 GF/GP) for Medicaid Mental Health and Substance Abuse Services to comply with a federal requirement for actuarially sound Medicaid capitation rates as a condition for the renewal of Michigan's federal Medicaid managed care waiver. The payment rates for Medicaid Mental Health and Substance Abuse Services will be increased by 2.5% and 3.0%, respectively. The Department is seeking federal approval to implement the actuarially sound rate requirement over two years.

4. *Quality Assurance Assessment Program for Group Home Beds*

A net \$0 Gross adjustment replaces \$3,500,000 of GF/GP funds with state restricted funds for Medicaid Mental Health Services anticipating approval of legislation that would provide for a new quality assurance assessment program for group home beds for persons who are developmentally disabled. The Department would be allowed to retain \$3.5 million of the projected additional revenue of \$7.0 million.

5. *Multicultural Services*

Funding for multicultural services is increased by \$1,300,000 Gross and GF/GP for ACCESS, Arab American and Chaldean Council, and Jewish Federation.

6. *Health Regulatory Systems*

Funding of \$37,954,700 Gross (\$5,390,800 GF/GP) for Health Regulatory Systems is transferred from the former Department of Consumer and Industry Services due to implementation of Executive Order 2003-18. The personnel for Health Regulatory Systems administer programs involved with the licensing, certification, and regulation of health professions and facilities.

7. *Vital Records Fee Increase*

A net \$0 Gross adjustment replaces \$1,492,800 of GF/GP funds with vital records fee revenue, with the intent to fully support the state vital records system with state restricted fees and federal funds. An amendment to the Public Health Code is required to increase state vital records fees.

8. *Healthy Michigan Fund Disease Prevention Initiatives*

A \$13,217,100 Gross (\$0 GF/GP) reduction in the appropriation of Healthy Michigan Funds includes \$25.6 million in reduced funding to Medicaid services and an increase of \$12.4 million of funds to disease prevention and wellness initiatives. The target agreement to appropriate \$15.5 million of Healthy Michigan Funds for prevention includes \$3.1 million to current projects.

9. *Morris Hood Wayne State University Diabetes Outreach*

A net \$150,000 Gross increase is provided for the Morris Hood Wayne State University Diabetes Outreach program. \$250,000 of GF/GP funding is replaced with \$400,000 of Healthy Michigan Funds.

10. *Physician Reimbursement for ER Services*

Savings of \$3,465,000 Gross (\$1,500,000 GF/GP) are achieved by a reduction of the Medicaid payment rate to physicians for hospital emergency room visits from 80% to 70% of Medicare rates.

11. Medicaid Pharmaceutical Services Savings

Pharmaceutical Services funding is reduced by \$36,600,100 Gross (\$16,005,300 GF/GP) as a result of several changes: (1) the pharmacy dispensing fee is lowered from \$3.77 to \$2.50; (2) an optional mail order pharmacy program is established; and (3) the copayment on brand name drugs is increased from \$1.00 to \$3.00.

12. Other Pharmaceutical Services Initiatives

Additional pharmaceutical changes provide a net savings of \$4,242,000 Gross (\$1,836,400 GF/GP). Savings of \$5.3 million Gross (\$2.3 million GF/GP) result from including Medicaid/Medicare dual eligible persons in the new incontinence supply contract, and from coordination of benefits for persons with other pharmacy benefit coverage. \$1.1 million Gross (\$458,000 GF/GP) is added to raise the dispensing fee for nursing home pharmacies by \$0.25 per script to \$2.75.

13. Adult Dental, Podiatric, Chiropractic, and Hearing Aids

Medicaid funding of \$5,820,000 Gross (\$3,200,000 GF/GP) is provided including \$4.6 million to restore podiatric, chiropractic, and limited hearing aid services that were eliminated in the FY 2003-04 budget. Medicaid coverage for adult dental services is not restored, but \$1.2 million is included to increase payments for dental services provided at local public health departments.

14. Actuarially Sound Medicaid HMO Payment Rates

The budget includes a 7.5% increase in Medicaid HMO rates for federally required actuarially sound payment rates to managed care providers that will be phased in over 2 years. The first year cost is \$124,047,100 Gross (\$53,700,000 GF/GP) for HMOs.

15. Medical Services Eligibility and Enrollment

Gross savings of \$32,402,700 (\$14,000,000 GF/GP) is assumed from a freeze in new enrollments in the Adult Benefits Waiver (savings of \$26.4 million) and EPIC (savings of \$6.0 million) programs. The budget retains optional Medicaid coverage for parents, caretaker relatives, and persons between 18 and 21 years of age.

16. Disproportionate Share Payments to Hospitals

Hospital disproportionate share (DSH) payments are increased by \$5,000,000 Gross (\$2,164,500 GF/GP) for distribution to hospitals that received less than \$900,000 in DSH payments in FY 2003-04.

17. Hospital Disproportionate Share Payment

\$33,200,000 Gross (\$0 GF/GP) of increased disproportionate share payments is authorized above the appropriated level if the necessary Medicaid matching funds are provided as allowable state match.

18. Medicaid Special Financing Payments

Medicaid special financing payments are increased by \$43,800,000 Gross resulting in additional GF/GP savings of \$15,756,300 above the Executive Recommendation in FY 2004-05.

19. Medical Expenses Recoupment

Funding of \$1,000,000 Gross (\$500,000 GF/GP) is included for staff and/or contractual services to increase medical expenses recoupment efforts, and savings of \$23,113,000 Gross (\$10,005,600 GF/GP) are assumed from efforts to recover overpayments of Medicaid services.

20. Medicaid Revenues from Tobacco Taxes

GF/GP funding totaling \$465,400,000 is replaced with additional Medicaid Benefits Trust Fund revenue from the recently enacted cigarette tax increase of \$0.75 per pack, and from existing cigarette taxes currently earmarked for the Budget Stabilization Fund.

21. Tobacco Settlement Revenue Adjustments

An additional \$78,800,000 in tobacco settlement revenue from the Merit Award Trust Fund is included to finance Medicaid base expenditure needs and offset GF/GP funding.

22. Quality Assurance Assessment Program (QAAP)

Additional GF/GP savings of \$18,300,000 are assumed from implementation of the hospital quality assurance assessment program and additional GF/GP savings of \$3,000,000 from the nursing home QAAP.

23. Information Technology Savings

GF/GP savings of \$538,900 for information technology (IT) services and projects are included based on target agreements. These savings are in addition to GF/GP savings of \$1.3 million contained in the enacted budget for IT services and projects.

24. Executive Budget Revisions

Funding is increased by \$396,030,000 Gross (\$71,882,900 GF/GP) for Executive proposed budget revisions related to Medicaid caseload growth, HMO savings, retirement actuarial adjustments, and the accrual methodology for year end salary/fringe benefit costs.

FY 2004-05 Adjustments

Public Act 360 of 2004 (House Bill 5527), a supplemental appropriations act, includes boilerplate that applies to the Department of Community Health. Section 206 addresses the Department's role regarding a community mental health services program required by law to become a community mental health authority. The bill was enacted in September 2004.

FY 2003-04 Funding Adjustments

A series of funding adjustments have been made to the enacted FY 2003-04 Community Health budget. In December of 2003, the Governor issued Executive Order 2003-23 that made reductions to the Community Health budget totaling \$6.4 million Gross (\$5.1 million GF/GP). In addition, two supplemental appropriation bills were enacted, Public Act 237 of 2003 and Public Act 309 of 2004. These supplemental appropriations provided additional funding for increased Medicaid costs, various program adjustments, and to recognize additional revenue from grant awards and quality assurance assessment programs.

Public Act 237 of 2003 (House Bill 4367) enacted in December 2003, provides supplemental FY 2003-04 appropriations totaling \$238,881,700 Gross (\$99,500,000 GF/GP). The act appropriates \$238,677,700 Gross (\$100,000,000 GF/GP) for increased Medicaid expenditures related to caseload and utilization growth, and partial restoration of savings related to the Adults Benefits Waiver. The Lead Abatement Program line item is increased by \$289,500 to allow for the expenditure of the remaining state restricted Clean Michigan Initiative (CMI) bond funds set aside for lead abatement. A negative GF/GP budgetary savings line item of \$500,000 is established. The bill also appropriates \$414,500 of state restricted Crime Victim's Rights funds to the Grants Administration Services line item to replace GF/GP eliminated by Executive Order 2003-23.

Public Act 309 of 2004 (Senate Bill 267) enacted in August 2004, increases the FY 2003-04 appropriations by \$371,858,400 Gross (a reduction of \$43,811,800 GF/GP). Medicaid funding is increased by \$188.2 million for expenditures related to caseload growth and changes in utilization and inflation. State restricted Medicaid Benefits Trust Funds replace \$113.8 million of GF/GP funding. The act appropriates \$82.0 million of increased revenue from expansion

of the hospital quality assurance assessment program (QAAP), and \$15.4 million from special financing and to replace unrealized pharmacy QAAP revenue. The appropriation for medical care and treatment for Children's Special Health Care Services is increased by \$33.2 million. The supplemental increases funding for community mental health services programs by \$17.1 million to recognize increased days of care at Kalamazoo Psychiatric Hospital and Mt. Pleasant Center due to the FY 2002-03 closure of Northville Psychiatric Hospital. Information technology is increased by \$8.8 million primarily to complete the Health Insurance Portability and Accountability Act (HIPAA) project. The supplemental increases federal funds authorization for a variety of mental health, public health, and medical services line items to recognize federal grant awards for expenditure. Additional state restricted revenue is also recognized for spending for a variety of programs.

FY 2002-03 Funding Adjustments

Fiscal Year 2002-03 mental health and Medicaid supplemental funding adjustments totaling \$86,857,000 Gross (\$0 GF/GP) are made by Public Act 237 of 2003, enacted in December 2003. Fiscal Year 2002-03 supplemental adjustments that occurred prior to November 2003 are summarized in the FY 2002-03 Department of Community Health Appropriation Report prepared by the House Fiscal Agency in January of 2003, and the FY 2003-04 Department of Community Health Appropriation Report prepared by the House Fiscal Agency in November of 2003.

	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05		
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
DEPARTMENT OF COMMUNITY HEALTH								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	4,382.3	4,674.0	4,674.0	5,077.7	5,095.6	5,112.6	0.0	5,112.6
Average population	995.0	1,102.0	1,102.0	1,102.0	1,102.0	1,102.0	0.0	1,102.0
GROSS APPROPRIATION	9,711,296,100	9,802,931,200	10,148,961,200	9,743,675,400	9,734,788,500	10,173,609,800	(410,000)	10,173,199,800
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartmental tr	69,204,800	70,543,400	70,036,900	70,543,400	70,543,500	70,037,000	0	70,037,000
ADJUSTED GROSS APPROPRIATION	9,642,091,300	9,732,387,800	10,078,924,300	9,673,132,000	9,664,245,000	10,103,572,800	(410,000)	10,103,162,800
Federal revenues:								
Total federal revenues	5,380,898,600	4,987,951,800	5,479,202,700	5,267,506,300	5,277,363,400	5,502,732,900	(254,200)	5,502,478,700
Special revenue funds:								
Total local revenues	812,256,100	840,015,900	459,179,500	456,096,500	456,029,400	523,452,400	0	523,452,400
Total private revenues	57,844,000	54,976,400	54,976,400	54,976,400	55,476,400	55,476,400	0	55,476,400
Merit award trust fund	0	0	0	0	0	110,675,000	0	110,675,000
Tobacco settlement trust fund	98,000,000	161,700,000	185,700,000	161,700,000	161,700,000	66,125,000	0	66,125,000
Total other state restricted revenues	640,112,300	1,211,664,900	1,371,904,000	758,704,000	1,247,689,300	1,287,044,700	0	1,287,044,700
State general fund/general purpose	2,652,980,300	2,476,078,800	2,527,961,700	2,974,148,800	2,465,986,500	2,558,066,400	(155,800)	2,557,910,600
<i>FY 2003-04 Year To Date amounts include original appropriations and supplemental funding adjustments that occurred prior to February 12, 2004: Executive Order 2003-23 and Public Act 237 of 2003. Additional funding adjustments were subsequently made by Public Act 309 of 2004.</i>								
CORRECTION								
This corrected page replaces page 7 dated 12/22/2004 of "FY 2004-05 Appropriation Report. Department of Community Health. Public Act No. 349 of 2004 and Supplemental Actions. December 2004."								

DEPARTMENTWIDE ADMINISTRATION

The enacted budget includes no changes to Director and Other Unclassified.

The enacted budget includes no changes to Community Health Advisory Council.

As part of reorganizing the Department of Community Health, the following has occurred: 54.0 FTEs and \$3,667,200 Gross (\$2,184,600 GF/GP) are transferred from Departmental Administration and Management to Medical Services Administration; 1.0 FTE and \$50,900 Gross (\$30,900 GF/GP) are transferred from Children's Special Health Care Services Administration to Departmental Administration and Management; 11.1 FTEs and \$907,800 Gross (\$415,500 GF/GP) are transferred from Medical Services Administration to Departmental Administration and Management; and 3.0 FTEs and \$275,200 Gross (\$176,000 GF/GP) are transferred from Departmental Administration and Management. Implementing Executive Order 2003-18, 11.0 FTEs and \$2,000,400 Gross (\$0 GF/GP) are transferred to Departmental Administration and Management for the Health Bureau Support staff formerly housed in the former Consumer and Industry Services. Implementing Executive Order 2003-23 which reduced funding for Departmental Administration and Management by \$375,500 due to travel savings, CSS&M reductions, and vacancies, FTEs are reduced by 2.0. Reflecting the FY 2003-04 spending plan for Departmental Administration and Management, FTEs for this line item are increased by 3.1.

Funds for Departmental Administration and Management are increased by \$631,000 Gross (\$402,600 GF/GP) to recognize a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funding for Departmental Administration and Management is increased by \$595,500 Gross (\$329,200 GF/GP) for employees' defined benefit retirement costs. Funds for Departmental Administration and Management are increased by \$38,100 Gross and reduced by \$56,000 GF/GP for employees' defined contribution retirement costs. Funds for Departmental Administration and Management are increased by \$191,500 Gross (\$33,500 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$474,600 Gross (\$322,200 GF/GP) are included in the Departmental Administration and Management line item. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

Savings of 3.0 FTEs and \$58,600 Gross (\$40,100 GF/GP) are anticipated for Departmental Administration and Management by consolidating Human Resources functions into a Call Center to be established within the Department of Civil Service. Recognizing an Executive Budget Revision letter dated May 27, 2004, funds for Departmental Administration and Management are reduced by \$557,800 Gross (all GF/GP) to reflect new retirement actuarial

experience study and change in methodology for year-end accrual of salary and fringe benefit costs. Correcting revenue detail for economic adjustments for Departmental Administration and Management, GF/GP is increased by \$39,400 and state restricted revenue is reduced by \$39,400. In order to reconcile to the Executive Budget Bill for Departmental Administration and Management, federal revenue is increased by \$100 and FTEs are reduced by 1.0.

Funds for Certificate of Need (CON) Program Administration are increased by \$43,200 Gross (\$28,200 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for CON Program Administration are increased by \$34,600 Gross (\$23,300 GF/GP) for employees' defined benefit retirement costs. Funds for CON Program Administration are increased by \$5,000 Gross (\$2,100 GF/GP) for employees' defined contribution retirement costs. Funds for CON Program Administration are increased by \$12,500 Gross (\$8,100 GF/G) for employees' insurance costs. Unspecified employee-related savings of \$32,500 Gross (\$22,300 GF/GP) are included in the budget for CON Program Administration. Recent information indicates that these savings will be realized through extension of the Banked Leaved Time Program. Correcting revenue detail for economic adjustments for CON Program Administration, state restricted revenue is increased by \$39,400 and GF/GP is reduced by \$39,400.

Implementing Executive Order 2003-18, Worker's Compensation Program funds totaling \$8,000 Gross (\$0 GF/GP) for the Health Bureau are transferred from the former Consumer and Industry Services.

Implementing Executive Order 2003-18, Rent and Building Occupancy charges of \$520,800 Gross (\$0 GF/GP) for the Health Bureau are transferred from the former Consumer and Industry Services. An economic reduction of \$561,600 Gross (\$338,800 GF/GP) is included in the budget for Rent and Building Occupancy.

Funding for Developmental Disabilities Council and Projects is increased by \$37,600 Gross (\$0 GF/GP) to reflect a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Developmental Disabilities Council and Projects are increased by \$36,800 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Developmental Disabilities Council and Projects are increased by \$3,800 Gross (\$0 GF/GP) for employees defined contribution retirement costs. Funds for Developmental Disabilities Council and Projects are increased by \$15,600 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$28,300 Gross (\$0 GF/GP) are included in the budget for Developmental Disabilities Council and Projects. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

The enacted budget includes no changes for Rural Health Services.

The enacted budget includes no changes for Michigan Essential Health Care Provider Program.

Funds for Primary Care Services are increased by \$4,800 Gross (\$0 GF/GP) to recognize a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Primary Care Services are increased by \$6,700 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Primary Care Services are increased by \$200 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Primary Care Services are increased by \$700 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$3,600 Gross (\$0 GF/GP) are included in the budget for Primary Care Services. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. Funds for Primary Care Services are increased by \$250,000 Gross (all GF/GP) for a pilot project supporting operation of a health center that serves uninsured, underinsured, and Medicaid population of Barry County.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Funds for Community Health Advisory Council are reduced by \$20,900 Gross (all GF/GP) to reflect administrative savings.

Funds for Departmental Administration and Management are reduced by \$373,500 Gross (all GF/GP) to reflect 3 vacancies (\$158,500), contract reductions (\$110,000), CSS&M reductions (\$94,500), and travel savings (\$10,500).

Funds for Worker's Compensation Program are reduced by \$1,000,000 Gross (all GF/GP) to reflect administrative savings.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Funds for CON Program Administration are increased by \$100,000 to recognize available CON fee revenue. Increased fee revenue will allow staff to perform required audit functions, and research and analyze CON program.

Funds for Developmental Disabilities Council and Projects are increased by \$500,000 to recognize the carry forward of federal revenue. Funds support improving the service delivery support network for persons with developmental disabilities.

Matching private and federal revenue of \$27,400 (\$54,000 total) is appropriated for Michigan Essential Health Care Provider Program. Funds assist providers in designated medically underserved areas in the repayment of health education loans.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 102. DEPARTMENTWIDE ADMINISTRATION								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	286.9	244.1	244.1	244.1	250.1	250.1	0.0	250.1
Director and other unclassified--* FTE positions	581,500	581,500	581,500	581,500	581,600	581,500	0	581,500
* positions in above line	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Community health advisory council	8,000	8,000	8,000	8,000	8,100	8,000	0	8,000
Departmental administration and management--* FTE positions	23,116,900	22,919,800	22,362,000	22,919,800	23,056,600	22,498,700	0	22,498,700
* positions in above line	265.5	221.7	221.7	221.7	228.7	228.7	0.0	228.7
Certificate of need program administration--* FTE positions	944,800	1,007,600	1,007,600	1,007,600	1,007,700	1,007,600	0	1,007,600
* positions in above line	10.0	11.0	11.0	11.0	10.0	10.0	0.0	10.0
Worker's compensation program	8,550,700	8,558,700	8,558,700	8,558,700	8,558,800	8,558,700	0	8,558,700
Rent and building occupancy	8,300,100	8,259,300	8,259,300	8,259,300	8,259,400	8,259,300	0	8,259,300
Developmental disabilities council and projects--* FTE positions	2,743,600	2,809,100	2,809,100	2,809,100	2,809,200	2,809,100	0	2,809,100
* positions in above line	10.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0
Rural health services	1,377,900	1,377,900	1,377,900	1,377,900	1,378,000	1,377,900	0	1,377,900
Michigan essential health care provider program	1,391,700	1,391,700	1,391,700	1,391,700	1,391,800	1,391,700	0	1,391,700
Primary care services--* FTE positions	2,790,100	2,798,900	2,798,900	2,798,900	3,049,000	3,048,900	0	3,048,900
* positions in above line	1.4	1.4	1.4	1.4	1.4	1.4	0.0	1.4
GROSS APPROPRIATION	49,805,300	49,712,500	49,154,700	49,712,500	50,100,200	49,541,400	0	49,541,400
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of treasury	101,600	107,400	107,400	107,400	107,400	107,400	0	107,400
Federal revenues:								
Total federal revenues	15,706,000	15,302,700	15,302,700	15,302,700	15,242,900	15,242,900	0	15,242,900
Special revenue funds:								
Total private revenues	185,900	185,900	185,900	185,900	185,900	185,900	0	185,900
Total other state restricted revenues	1,580,000	3,947,900	3,947,900	3,947,900	3,947,900	3,947,900	0	3,947,900
State general fund/general purpose	32,231,800	30,168,600	29,610,800	30,168,600	30,616,100	30,057,300	0	30,057,300

MENTAL HEALTH

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
MENTAL HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	3,146.2	3,173.4	3,173.4	3,577.1	3,570.1	3,570.1	0.0	3,570.1
Average population	995.0	1,102.0	1,102.0	1,102.0	1,102.0	1,102.0	0.0	1,102.0
GROSS APPROPRIATION	2,251,598,900	2,389,978,900	2,393,608,900	2,389,978,900	2,389,778,900	2,394,705,200	(50,000)	2,394,655,200
Interdepartmental grant revenues:								
IDG-department of corrections	68,120,600	69,194,100	68,687,600	69,194,100	69,194,200	68,687,700	0	68,687,700
Total interdepartmental grants and intradepartmental tr	68,120,600	69,194,100	68,687,600	69,194,100	69,194,200	68,687,700	0	68,687,700
ADJUSTED GROSS APPROPRIATION	2,183,478,300	2,320,784,800	2,324,921,300	2,320,784,800	2,320,584,700	2,326,017,500	(50,000)	2,325,967,500
Federal revenues:								
Total federal revenues	954,166,600	1,005,481,600	1,008,143,700	1,005,481,600	1,005,391,700	1,008,053,800	(50,000)	1,008,003,800
Special revenue funds:								
Total local revenues	138,344,100	160,667,400	160,667,400	160,667,400	160,600,300	160,600,300	0	160,600,300
Total private revenues	690,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	0	1,190,000
Total other state restricted revenues	13,759,300	18,651,300	18,651,300	18,651,300	18,651,300	18,651,300	0	18,651,300
State general fund/general purpose	1,076,518,300	1,134,794,500	1,136,268,900	1,134,794,500	1,134,751,400	1,137,522,100	0	1,137,522,100

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Funds for Mental Health/Substance Abuse Program Administration are increased by \$100,000 Gross to recognize a new federal grant to promote community-based systems of care. Funds for Mental Health/Substance Abuse Program Administration line item are increased to recognize new federal grant of \$115,000 to support required substance abuse data development. FTEs supporting Mental Health/Substance Abuse Program Administration are increased by 8.9 to reflect FY 2003-04 spending plan. Implementing Executive Order 2003-23 in which funding for Mental Health/Substance Abuse Program Administration is reduced by \$429,500 due to vacancies, CSS&M reductions, and travel savings, FTEs supporting this line item are reduced by 3.0. As part of reorganizing the Department of Community Health, the following occurred: 16.3 FTEs and \$2,154,000 Gross (\$1,799,000 GF/GP) are transferred from Community Living, Children, and Families Administration to Mental Health/Substance Abuse Program Administration; 1.0 FTE and \$83,500 Gross (\$41,800 GF/GP) are transferred from Medical Services Administration to Mental Health/Substance Abuse Program Administration; 3.0 FTEs and \$175,800 Gross (\$131,600 GF/GP) are transferred from Mental Health/Substance Abuse Program Administration; and \$94,700 Gross (\$3,200 GF/GP) is transferred from Housing and Support Services to Mental Health/Substance Abuse Program Administration.

Funds for Mental Health/Substance Abuse Program Administration are increased by \$549,900 Gross (\$447,400 GF/GP) to recognize a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Mental Health/Substance Abuse Program Administration are increased by \$561,500 Gross (\$455,100 GF/GP) for employees' defined benefit retirement costs. Funds for Mental Health/Substance Abuse Program Administration are increased by \$57,000 Gross (\$47,600 GF/GP) for employees' defined contribution retirement costs. Funds for Mental Health/Substance Abuse Program Administration are increased by \$154,900 Gross (\$126,000 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$413,600 Gross (\$357,800 GF/GP) are included in the budget for Mental Health/Substance Abuse Program Administration. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. Recognizing Executive Budget Revision letter dated May 27, 2004, funds for Mental Health/Substance Program Administration are reduced by \$557,800 Gross (all GF/GP) to reflect new retirement actuarial experience study and change in methodology for year-end accrual of salary and fringe benefit costs.

VETO – The Governor vetoed Section 454 boilerplate language that resulted in a reduction of \$50,000 Gross (all federal revenue) for Mental Health/Substance Abuse Program Administration. These funds were to be used to conduct a study of the feasibility for increased coordination and collaboration among community health and human services agencies.

The enacted budget includes no changes for Consumer Involvement Program.

The enacted budget includes no changes to Gambling Addiction.

The enacted budget includes no changes to Protection and Advocacy Services Support.

The enacted budget includes no changes to Mental Health Initiatives for Older Persons.

Funds totaling \$526,400 Gross (all GF/GP) are transferred from Community Residential and Support Services to the Community Mental Health Non-Medicaid Services line item for 6 residential leases in Macomb County and 19 residential leases in Oakland County that expired in FY 2002-03.

The enacted budget includes no changes to Highway Safety Projects.

Funds for Federal and Other Special Projects are increased by \$135,000 to recognize a new federal Persons with Co-Occurring Disorders grant. Funds are to be directed toward improving services for individuals with co-occurring mental health and substance abuse disorders. Funds for Federal and Other Special Projects are increased by \$352,000 to recognize a new federal Money Follows Person grant award. Funds are to be used in developing strategies to make long-term care services more responsive to consumer choices in service options. Funds for Federal and Other Special Projects are increased by \$174,000 to recognize a new federal Independence Plus Initiative grant. Grant funds are to be used to establish system-wide determination options for the elderly and disabled. Funds for Federal and Other Special Projects are increased to recognize a new federal Respite for Children grant award. Funds are to be used to evaluate if children respite care services should be provided through the Medicaid waiver program. As part of reorganizing the Department, the federal child care grant of \$75,000 is transferred from Community Living, Children, and Families appropriation unit to Federal and Other Special Projects.

As part of reorganizing the Department of Community Health, Family Support Subsidy funds of \$16,680,700 Gross (\$0 GF/GP) are transferred from the Community Living, Children, and Families appropriation unit to the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit.

As part of reorganizing the Department of Community Health, Housing and Support Services funds of \$6,017,700 Gross (\$708,800 GF/GP) are transferred from the Community Living, Children, and Families appropriation unit to the Mental

Health/Substance Abuse Services Administration and Special Projects appropriation unit. Funds totaling \$94,700 Gross (\$3,200 GF/GP) are also transferred to Mental Health/Substance Abuse Program Administration.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Funds for Mental Health/Substance Abuse Program Administration are reduced by \$429,500 Gross (all GF/GP) to reflect 3 vacancies (\$229,600), contract reductions (\$154,000), CSS&M reductions (\$41,300) and travel savings (\$4,600).

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Funds for Mental Health/Substance Abuse Program Administration are increased by \$118,000 Gross (\$0 GF/GP) to recognize increased federal Medicaid revenue. Funds are used to address new federal reporting requirements for the Managed Specialty Services and Supports Waiver. Funds for Mental Health/Substance Abuse Program Administration are also increased by \$115,000 Gross (\$0 GF/GP) to recognize increased federal Substance Abuse/Mental Health Services revenue. Funds are used to promote community-based systems of care and support required substance abuse data development.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	VETOES	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	Sec. 454	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	FY 2004-05	30-Sep-04
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS								
Full-time equated classified positions	83.3	103.5	103.5	103.5	103.5	103.5	0.0	103.5
Mental health/substance abuse program administration	8,706,400	11,987,500	11,429,700	11,987,500	11,987,600	11,429,700	(50,000)	11,379,700
* positions in above line	83.3	103.5	103.5	103.5	103.5	103.5	0.0	103.5
Consumer involvement program	189,100	189,100	189,100	189,100	189,200	189,100	0	189,100
Gambling addiction	3,500,000	3,500,000	3,500,000	3,500,000	3,500,100	3,500,000	0	3,500,000
Protection and advocacy services support	777,400	777,400	777,400	777,400	777,500	777,400	0	777,400
Mental health initiatives for older persons	1,349,200	1,349,200	1,349,200	1,349,200	1,349,300	1,349,200	0	1,349,200
Community residential and support services	3,838,200	3,311,800	3,311,800	3,311,800	3,311,900	3,311,800	0	3,311,800
Highway safety projects	1,837,200	1,837,200	1,837,200	1,837,200	1,837,300	1,837,200	0	1,837,200
Federal and other special projects	1,977,200	2,746,000	2,746,000	2,746,000	2,746,100	2,746,000	0	2,746,000
Family support subsidy	0	16,680,700	16,680,700	16,680,700	16,680,800	16,680,700	0	16,680,700
Housing and support services	0	5,923,000	5,923,000	5,923,000	5,923,100	5,923,000	0	5,923,000
GROSS APPROPRIATION	22,174,700	48,301,900	47,744,100	48,301,900	48,302,900	47,744,100	(50,000)	47,694,100
Appropriated from:								
Federal revenues:								
Total federal revenues	6,169,100	29,686,400	29,686,400	29,686,400	29,686,400	29,686,400	(50,000)	29,636,400
Special revenue funds:								
Total private revenues	190,000	190,000	190,000	190,000	190,000	190,000	0	190,000
Total other state restricted revenues	3,682,300	3,682,300	3,682,300	3,682,300	3,682,300	3,682,300	0	3,682,300
State general fund/general purpose	12,133,300	14,743,200	14,185,400	14,743,200	14,744,200	14,185,400	0	14,185,400

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

The authorization for Medicaid Mental Health Services is increased by \$91,900 Gross (\$39,800 GF/GP) to recognize prior year changes in utilization of days of care at state facilities by CMHSPs. The GF/GP increase is financed by a \$39,800 reduction to CMHSP, Purchase of State Services Contracts. The authorization for Medicaid Mental Health Services is increased by \$1,328,700 Gross (\$575,200 GF/GP) to recognize FY 2002-03 changes in utilization of days of care at state facilities by CMHSPs. The GF/GP increase is financed by a \$575,200 reduction to Community Mental Health Non-Medicaid Services. The budget includes a reduction of \$29,772,500 in the federal Medicaid revenue supporting Medicaid Mental Health Services, with a corresponding increase in GF/GP dollars, to reflect elimination of the enhanced Medicaid match rate of 58.84% for three quarters of FY 2003-04. The budget also includes an increase of \$11,255,500 in the federal Medicaid revenue supporting Medicaid Mental Health Services, with a corresponding reduction in GF/GP dollars, due to a change in the Medicaid match rate from 55.89% to 56.71%.

Funds for Medicaid Mental Health Services are increased by \$7,718,400 Gross (\$3,341,300 GF/GP) based upon a projected caseload increase of Medicaid eligibles for FY 2004-05. Funds for Medicaid Mental Health Services are also increased by \$4,694,300 Gross (\$2,032,200 GF/GP) to reflect the Medicaid revenue consensus agreement. Funds for Medicaid Mental Health Services are increased by \$28,526,000 Gross (\$12,348,900 GF/GP) to comply with a federal requirement for actuarially sound Medicaid capitation payment rates. This adjustment represents a 2.5% increase in capitation payment rates. To implement the actuarially sound requirement over a two-year period also requires federal approval. Anticipating approval of legislation that would tax group home beds for persons who are developmentally disabled, \$3.5 million of GF/GP funds supporting Medicaid Mental Health Services is replaced with state restricted revenue. If the quality assurance assessment program (QAAP) revenue is realized, the Department would be allowed to retain \$3.5 million of the projected revenue of \$7.0 million. (Legislation has not been introduced nor acted upon that would tax group home beds for persons who are developmentally disabled.)

The authorization for Community Mental Health Non-Medicaid Services is reduced by \$14,017,400 Gross (all GF/GP) to recognize FY 2002-03 changes in utilization of days of care at state facilities by CMHSPs. These funds are redirected to CMHSPs, Purchase of State Services Contracts. The authorization for Community Mental Health Non-Medicaid Services is increased by \$916,300 Gross (all GF/GP) to recognize FY 2000-01 and FY 2001-02 changes in utilization of days of care at state facilities by CMHSPs. The increase is financed by a reduction to CMHSP, Purchase of State Services Contracts. The authorization for Community Mental Health Non-Medicaid Services is reduced by \$2,467,000 Gross (all GF/GP) to recognize projected FY 2003-04 changes in the utilization of days of care at state facilities by CMHSPs. These funds are redirected to CMHSP, Purchase of State Services Contracts.

Funds totaling \$526,400 Gross (all GF/GP) are transferred from Community Residential and Support Services to Community Mental Health Non-Medicaid Services for 6 residential leases in Macomb County and 19 residential leases in Oakland County that expired in FY 2002-03.

The budget includes an increase of \$232,000 in Title XXI revenue supporting Medicaid Adult Benefits Waiver, with a corresponding reduction in GF/GP dollars, due to a change in the match rate from 69.12% to 69.70%.

Funds for Multicultural Services are increased by \$1.3 million Gross (all GF/GP) for Arab/Chaldean, ACCESS, and Jewish Federation. The increase is to be distributed equally between these entities.

A reduction of \$604,800 is included in the budget for the federal Medicaid revenue supporting Medicaid Substance Abuse Services, with a corresponding increase in GF/GP dollars, due to elimination of one-time Medicaid match rate of 58.84% for three quarters of FY 2003-04. The budget includes an increase of \$227,900 in the federal Medicaid revenue supporting Medicaid Substance Abuse Services, with a corresponding reduction in GF/GP, due to a change in the Medicaid match rate from 55.89% to 56.71%. Funds for Medicaid Substance Abuse Services are increased by \$788,300 Gross (\$341,300 GF/GP) to comply with a federal requirement for actuarially sound Medicaid capitation payment rates. This adjustment represents a 3.0% increase in capitation payment rates. To implement the actuarially sound requirement over a two-year period also requires federal approval. Funds for Medicaid Substance Abuse Services are increased by \$155,100 Gross (\$67,100 GF/GP) based upon a projected caseload increase for FY 2004-05.

The enacted budget includes no changes for Respite Services.

The budget redirects \$39,800 GF/GP from CMHSP, Purchase of State Services Contracts to Medicaid Mental Health Services to finance FY 2000-01 and FY 2001-02 changes in days of care utilized at state facilities by CMHSPs. The budget redirects \$916,300 GF/GP from CMHSP, Purchase of State Services to Community Mental Health Non-Medicaid Services to finance FY 2000-01 and FY 2001-02 changes in days of care utilized at state facilities by CMHSPs. The budget redirects \$14,017,400 GF/GP from Community Mental Health Non-Medicaid Services to CMHSP, Purchase of State Services Contracts to recognize FY 2002-03 changes in days of care at state facilities by CMHSPs. The authorization for CMHSPs, Purchase of State Services Contracts is reduced by \$575,200 GF/GP to recognize FY 2002-03 changes in days of care utilized at state facilities by CMHSPs. These funds are redirected to Medicaid Mental Health Services. Funds totaling \$2,467,000 Gross (all GF/GP) are redirected to CMHSP, Purchase of State Services Contracts from Community Mental Health Non-Medicaid Services to finance projected FY 2003-04 changes in days of care utilized at state facilities by CMHSPs.

The authorization for CMHSP, Purchase of State Services Contracts is increased by \$1,296,400 Gross (all GF/GP) to recognize elimination of one-time enhanced Medicaid match rate of 58.84% for state facilities for three quarters of FY 2003-04. The funds for CMHSP, Purchase of State Services Contracts are reduced by \$422,900 Gross (all GF/GP) to reflect the change in the federal Medicaid match rate from 55.89% to 56.71% for state psychiatric hospitals and center for persons with developmental disabilities. Funding for CMHSP, Purchase of State Services Contracts is increased by \$11,610,900 Gross (all GF/GP) to recognize economic increases for salaries and wages, defined benefit and contribution retirement costs, and insurance costs for employees of state psychiatric hospitals and center for persons with developmental disabilities. Funds for CMHSP, Purchase of State Services Contracts are reduced by \$3,739,500 Gross (all GF/GP) for unspecified employee-related savings at state facilities. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. To reflect savings associated with consolidating Human Resources functions into a Call Center at the Department of Civil Services, funds for CMHSP, Purchase of State Services Contracts are reduced by \$67,000 Gross (all GF/GP).

The enacted budget includes no changes for Civil Service Charges.

Funds for the Federal Mental Health Block Grant are increased by \$12,400 Gross (\$0 GF/GP) to reflect a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for the Federal Mental Health Block Grant are increased by \$1,200 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for the Federal Mental Health Block Grant are increased by \$5,000 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$9,400 Gross (\$0 GF/GP) are anticipated for FY 2004-05. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

The enacted budget includes no changes for State Disability Assistance Program Substance Services.

The authorization for the federal substance abuse block grant supporting Community Substance Abuse Prevention, Education, and Treatment Programs is increased by \$251,600. Federal funds will be used to educate and counsel persons on the abuse of substances. The funds for Community Substance Abuse Prevention, Education, and Treatment Programs are increased by \$1,970,600 Gross (Title XXI federal funds) for the Medicaid Adult Benefits Waiver. The Department of Community Health has indicated that there are sufficient GF/GP funds supporting the Community Substance Abuse Prevention, Education, and Treatment Programs to meet the Title XXI match requirement.

As part of reorganizing the Department of Community Health, funds totaling \$19,549,800 Gross (\$8,463,200 GF/GP) for the Children's Waiver Home Care Program within Community Living, Children, and Families appropriation unit are transferred to the Community Mental Health/Substance Abuse Services Programs appropriation unit.

As part of reorganizing the Department of Community Health, 7.0 FTEs and \$12,770,500 Gross (\$3,850,600 GF/GP) for Omnibus Reconciliation Act Implementation within Community Living, Children, and Families appropriation unit are transferred to the Community Mental Health/Substance Abuse Services Programs appropriation unit. Funds for Omnibus Reconciliation Act Implementation are increased by \$25,200 Gross (\$6,300 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Omnibus Reconciliation Act Implementation are increased by \$18,800 Gross (\$4,700 GF/GP) for employees' defined benefit retirement costs. Funds for Omnibus Reconciliation Act Implementation are increased by \$3,100 Gross (\$700 GF/GP) for employees' defined contribution retirement costs. Funds for Omnibus Reconciliation Act Implementation are increased by \$8,700 Gross (\$2,200 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$19,000 Gross (\$5,000 GF/GP) are anticipated for Omnibus Reconciliation Act Implementation. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Funds for Civil Service Charges are reduced by \$300,000 Gross (all GF/GP). These savings are achieved due to the closure of Northville Psychiatric Hospital. A similar adjustment was included in Executive Order 2003-3, a supplemental action for FY 2002-03.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Funds totaling \$17,116,900 Gross (all GF/GP) for Community Mental Health Non-Medicaid Services are redirected to CMHSP, Purchase of State Services Contracts. These funds are redirected to purchase increased days of care at Kalamazoo Psychiatric Hospital and Mt. Pleasant Center due to the FY 2002-03 closure of Northville Psychiatric Hospital.

The authorization for Federal Mental Health Block Grant is increased by \$1.9 million to recognize the carry forward of this revenue. Funds support projects for children and adults with mental illness.

FY 2002-03 SUPPLEMENTAL ACTIONS

PUBLIC ACT 237 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Funds for Medicaid Mental Health Services are increased by \$12,615,700 Gross (\$0 GF/GP) due to a withdrawal from the Medicaid Benefits Trust Fund. The additional funds are used to finance increased Medicaid expenditures related to caseload and utilization.

Funds totaling \$22,732,600 Gross (all GF/GP) from Medicaid Mental Health Services and funds totaling \$18,006,800 Gross (all GF/GP) from MI-Family Plan are transferred to Community Mental Health Non-Medicaid Services since the MI-Family Plan was not implemented in FY 2002-03. As part of the financing strategy for the MI-Family Plan, \$40,739,400 Gross (all GF/GP) had been transferred from Community Mental Health Non-Medicaid Services to Medicaid Mental Health Services in the enacted budget for the Department of Community, Public Act 519 of 2002. Funds for Community Mental Health Non-Medicaid Services are reduced by \$1,567,000 Gross (all GF/GP) to finance additional expenses related to the closure of Northville Psychiatric Hospital in FY 2002-03 such as salary and fringe benefit costs for maintenance personnel, unemployment costs for staff who were laid off, and annual leave payouts for terminated staff. The Department of Community Health anticipated lapses in the Community Mental Health Non-Medicaid Services account.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS								
Full-time equated classified positions	2.5	9.5	9.5	9.5	9.5	9.5	0.0	9.5
Medicaid mental health services	1,372,625,900	1,410,290,900	1,414,985,200	1,410,290,900	1,410,291,000	1,414,985,200	0	1,414,985,200
Community mental health non-Medicaid services	328,394,100	313,352,400	313,352,400	313,352,400	313,352,500	313,352,400	0	313,352,400
Medicaid adult benefits waiver	40,000,000	40,000,000	40,000,000	40,000,000	40,000,100	40,000,000	0	40,000,000
Multicultural services	3,663,800	3,663,800	3,663,800	3,663,800	3,663,900	4,963,800	0	4,963,800
Medicaid substance abuse services	27,788,900	28,732,300	28,732,300	28,732,300	28,732,400	28,732,300	0	28,732,300
Respite services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,100	1,000,000	0	1,000,000
CMHSP, purchase of state services contracts	97,115,800	120,813,800	120,813,800	120,813,800	120,746,900	120,746,800	0	120,746,800
Civil service charges	1,765,500	1,765,500	1,765,500	1,765,500	1,765,600	1,765,500	0	1,765,500
Federal mental health block grant--* FTE positions	15,317,400	15,326,600	15,326,600	15,326,600	15,326,700	15,326,600	0	15,326,600
* positions in above line	2.5	2.5	2.5	2.5	2.5	2.5	0.0	2.5
State disability assistance program substance abuse se	2,509,800	2,509,800	2,509,800	2,509,800	2,509,900	2,509,800	0	2,509,800
Community substance abuse prevention, education and	80,548,400	82,770,600	82,770,600	82,770,600	82,770,700	82,770,600	0	82,770,600
Children's waiver home care program	0	19,549,800	19,549,800	19,549,800	19,549,900	19,549,800	0	19,549,800
Omnibus budget reconciliation act implementation--* F	0	12,807,300	12,807,300	12,807,300	12,807,400	12,807,300	0	12,807,300
* positions in above line	0.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
GROSS APPROPRIATION	1,970,729,600	2,052,582,800	2,057,277,100	2,052,582,800	2,052,517,100	2,058,510,100	0	2,058,510,100
Appropriated from:			0					
Federal revenues:			0					
Total federal revenues	917,992,600	943,538,300	946,200,400	943,538,300	943,491,400	946,153,500	0	946,153,500
Special revenue funds:								
Total local revenues	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	0	26,000,000
Total other state restricted revenues	3,042,400	6,542,400	6,542,400	6,542,400	6,542,400	6,542,400	0	6,542,400
State general fund/general purpose	1,023,694,600	1,076,502,100	1,078,534,300	1,076,502,100	1,076,483,300	1,079,814,200	0	1,079,814,200

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

Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$902,700 Gross (\$956,100 CMHSP, Purchase of State Services Contracts dollars) to recognize changes in the days of care utilized at the facilities during FY 2000-01 and FY 2001-02 by CMHSPs. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$10,624,500 Gross (\$13,442,200 CMHSP, Purchase of State Services Contracts dollars) to recognize changes in the days of care utilized at the facilities during FY 2002-03 by CMHSPs. The funds authorized for state psychiatric hospitals and center for person with developmental disabilities are increased by \$4,430,300 Gross (\$2,467,000 CMHSP, Purchase of State Services Contracts dollars) to recognize estimated changes in the days of care utilized at facilities during FY 2003-04 by CMHSPs.

Included in the budget is a reduction of \$1,296,400 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding increase in CMHSP, Purchase of State Services Contracts dollars, to reflect elimination of one-time enhanced Medicaid match rate of 58.84% for three quarters of FY 2003-04. Included in the budget is also an increase of \$422,900 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding decrease in CMHSP, Purchase of State Services Contracts dollars, due to a change in the federal Medicaid match rate from 55.89% to 56.71%.

Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$6,651,700 Gross (\$4,675,900 CMHSP, Purchase of State Services Contracts dollars) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$6,599,900 Gross (\$4,673,500 CMHSP, Purchase of State Services Contracts dollars) for employees' defined benefit retirement costs. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$850,600 Gross (\$583,300 CMHSP, Purchase of State Services Contracts dollars) for employees defined contribution retirement costs. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$2,390,700 Gross (\$1,678,200 CMHSP, Purchase of State Services Contracts dollars) for employees' insurance costs.

Unspecified employee-related savings of \$5,003,300 Gross (\$3,739,500 CMHSP, Purchase of State Services Contracts dollars) are anticipated. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. The FTEs and funds supporting state psychiatric hospitals and center for persons with developmental disabilities are respectively reduced by 5.0 and \$110,000 Gross (\$67,000 CMHSP, Purchase of State Services Contracts dollars) to reflect savings associated with consolidating Human Resources functions into a Call Center within the Department of Civil Service. To correct to actual, the FTEs supporting state psychiatric hospitals and center for persons with developmental disabilities are reduced by 403.7.

Funds for the Forensic Center are reduced by \$280,000 Gross (all GF/GP) annualizing Executive Order 2003-23 \$200,000 savings which were to be achieved by purchasing food from Huron Valley Center rather than from a vendor. Funds for Forensic Center are increased by \$1,806,900 Gross (\$1,678,200 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for the Forensic Center are increased by \$877,000 Gross (\$814,500 GF/GP) for employees' defined benefit retirement costs. Funds for the Forensic Center are increased by \$105,400 Gross (\$97,900 GF/GP) for employees' defined contribution retirement costs. Funds for the Forensic Center are increased by \$1,479,900 Gross (\$1,374,500 GF/GP) for employees' supplemental retirement costs. Employees of the Department of Corrections are covered by a different retirement plan. Funds for the Forensic Center are increased by \$520,400 Gross (\$483,400 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$1,359,100 Gross (\$1,343,500 GF/GP) are anticipated for the Forensic Center. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. The FTEs and funds supporting the Forensic Center are reduced by 2.0 and \$26,700 Gross (all GF/GP) to reflect savings associated with consolidating Human Resources functions into a Call Center within the Department of Civil Service.

The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$170,600 to correspond with the Department of Corrections appropriations act, Public Act 154 of 2003. The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$1,430,000 to annualize the savings contained in Executive Order 2003-23 which are to be realized through contractual food purchases (\$480,000) and pharmacy costs (\$950,000). The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$2,618,500 by converting beds at Huron Valley Center from acute care inpatient to partial hospitalization.

The authorization for Forensic Mental Health Services Provided to the Department of Corrections is increased by \$2,700,100 Gross (\$0 GF/GP) to reflect a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. The authorization for Forensic Mental Health Services Provided to the Department of Corrections is increased by

\$457,400 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. The funds for Forensic Mental Health Services Provided to the Department of Corrections are increased by \$126,300 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. The funds for Forensic Mental Health Services Provided to the Department of Corrections are increased by \$2,929,300 Gross (\$0 GF/GP) for employees' supplemental retirement costs. Employees of the Department of Corrections are covered by a different retirement plan. The authorization for Forensic Mental Health Services Provided to the Department of Corrections are increased by \$769,400 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$2,031,000 Gross (\$0 GF/GP) is anticipated for Forensic Mental Health Services Provided to the Department of Corrections. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. Funds for Forensic Mental Health Services Provided to the Department of Corrections are reduced by \$506,500 to reflect Executive Budget Revision letter dated May 27, 2004. Savings are related to new retirement actuarial experience study and change in methodology for year-end accrual of salary and fringe benefit costs.

The enacted budget includes no changes for Revenue Recapture.

The enacted budget includes no changes for IDEA, Federal Special Education.

The enacted budget includes no changes to Special Maintenance and Equipment.

The enacted budget includes no changes to Purchase of Medical Services for Residents of Hospitals and Centers.

Funds for Closed Site, Transition, and Related Costs are increased by \$29,400 Gross (all GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. The authorization for Closed Site, Transition, and Related Costs is increased by \$13,900 Gross (all GF/GP) for employees' defined benefit retirement costs. The authorization for Closed Site, Transition, and Related Costs is reduced by \$2,000 Gross (all GF/GP) for employees' defined contribution retirement costs. The authorization for Closed Site, Transition, and Related Costs is increased by \$14,600 Gross (all GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$22,100 are anticipated for Closed Site, Transition, and Related Costs. Recent information indicates that these savings will be achieved through extension of the Banked Leave Time Program.

The enacted budget includes no changes to Severance Pay.

The private revenue authorization for Gifts and Bequests for Patient Living and Treatment Environment is increased by \$500,000 due to the carry forward of this revenue. Increased funds will be used to purchase one-time educational and recreational equipment.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Funds for the Forensic Center are reduced by \$200,000 Gross (all GF/GP). Savings are to be achieved by purchasing food from Huron Valley Center rather than from a vendor.

Funds for Closed Site, Transition, and Related Costs are reduced by \$500,000 (all GF/GP) as the sale of properties at Fairlawn Center and Southgate Center will no longer require 11.0 FTE positions to maintain these sites.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Funds for Caro Regional Mental Health Center are increased by \$12,000,000 Gross (all CMHSP, Purchase of State Services Contracts dollars) and funds for Mt. Pleasant Center are increased by \$5,116,000 (all CMHSP, Purchase of State Services Contracts dollars) for additional days of care purchased by CMHSPs at these facilities. The increase for these state facilities is financed through a reduction in Community Mental Health Non-Medicaid Services.

The private revenue authorization for Gifts and Bequests for Patient Living and Treatment Environment is increased by \$725,000 to purchase one-time enhancements for patients at state facilities.

FY 2002-03 SUPPLEMENTAL ACTIONS

PUBLIC ACT 237 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Funds for Northville Psychiatric Hospital are increased by \$1,567,000 Gross (all GF/GP) to cover additional expenses related to its closure in FY 2002-03 such as salary and fringe benefit costs for maintenance personnel, unemployment costs for staff who were laid off, and annual leave payouts for terminated staff. Increased authorization for Northville has been financed by a reduction in Community Mental Health Non-Medicaid Services.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES								
Total average population	995.0	1,102.0	1,102.0	1,102.0	1,102.0	1,102.0	0.0	1,102.0
Full-time equated classified positions	3,060.4	3,060.4	3,060.4	3,464.1	3,457.1	3,457.1	0.0	3,457.1
Caro regional mental health center-psychiatric hospital-	36,376,400	39,701,100	39,701,100	39,701,100	39,681,400	39,681,300	0	39,681,300
* positions in above line	409.2	409.2	409.2	530.7	529.7	529.7	0.0	529.7
Average population	167.0	188.0	188.0	192.0	192.0	192.0	0.0	192.0
Kalamazoo psychiatric hospital-adult--* FTE positions	20,568,200	35,972,800	35,972,800	35,972,800	35,953,100	35,953,000	0	35,953,000
* positions in above line	317.9	317.9	317.9	501.4	500.4	500.4	0.0	500.4
Average population	115.0	132.0	132.0	184.0	184.0	184.0	0.0	184.0
Walter P. Reuther psychiatric hospital-adult--* FTE posi	38,718,800	40,897,700	40,897,700	40,897,700	40,878,000	40,877,900	0	40,877,900
* positions in above line	452.0	452.0	452.0	478.9	477.9	477.9	0.0	477.9
Average population	244.0	276.0	276.0	242.0	242.0	242.0	0.0	242.0
Hawthorn center-psychiatric hospital-children and adole	20,370,500	19,040,200	19,040,200	19,040,200	19,014,500	19,014,400	0	19,014,400
* positions in above line	242.6	242.6	242.6	227.2	226.2	226.2	0.0	226.2
Average population	80.0	88.0	88.0	67.0	67.0	67.0	0.0	67.0
Mount Pleasant center-developmental disabilities--* FT	29,107,100	35,170,900	35,170,900	35,170,900	35,146,200	35,146,100	0	35,146,100
* positions in above line	428.1	428.1	428.1	515.3	514.3	514.3	0.0	514.3
Average population	164.0	176.0	176.0	192.0	192.0	192.0	0.0	192.0
Center for forensic psychiatry--* FTE positions	41,585,400	44,735,900	44,735,900	44,735,900	44,709,300	44,709,200	0	44,709,200
* positions in above line	495.0	495.0	495.0	495.0	493.0	493.0	0.0	493.0
Average population	225.0	242.0	242.0	225.0	225.0	225.0	0.0	225.0
Forensic mental health services provided to the departm	68,120,600	69,194,200	68,687,700	69,194,200	69,194,300	68,687,700	0	68,687,700
* positions in above line	704.6	704.6	704.6	704.6	704.6	704.6	0.0	704.6
Revenue recapture	750,000	750,000	750,000	750,000	750,100	750,000	0	750,000
IDEA, federal special education	120,000	120,000	120,000	120,000	120,100	120,000	0	120,000
Special maintenance and equipment	335,300	335,300	335,300	335,300	335,400	335,300	0	335,300
Purchase of medical services for residents of hospitals	1,358,200	1,358,200	1,358,200	1,358,200	1,358,300	1,358,200	0	1,358,200
Closed site, transition, and related costs--* FTE positio	567,200	601,000	601,000	601,000	601,100	601,000	0	601,000
* positions in above line	11.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Severance pay	216,900	216,900	216,900	216,900	217,000	216,900	0	216,900
Gifts and bequests for patient living and treatment envir	500,000	1,000,000	1,000,000	1,000,000	1,000,100	1,000,000	0	1,000,000
GROSS APPROPRIATION	258,694,600	289,094,200	288,587,700	289,094,200	288,958,900	288,451,000	0	288,451,000
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of correcti	68,120,600	69,194,100	68,687,600	69,194,100	69,194,200	68,687,700	0	68,687,700
Federal revenues:								
Total federal revenues	30,004,900	32,256,900	32,256,900	32,256,900	32,213,900	32,213,900	0	32,213,900
Special revenue funds:								
CMHSP, purchase of state services contracts	97,115,800	120,813,800	120,813,800	120,813,800	120,746,800	120,746,800	0	120,746,800
Other local revenues	15,228,300	13,853,600	13,853,600	13,853,600	13,853,500	13,853,500	0	13,853,500
Total private revenues	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Total other state restricted revenues	7,034,600	8,426,600	8,426,600	8,426,600	8,426,600	8,426,600	0	8,426,600
State general fund/general purpose	40,690,400	43,549,200	43,549,200	43,549,200	43,523,900	43,522,500	0	43,522,500

PUBLIC HEALTH

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
PUBLIC HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	490.4	824.6	824.6	824.6	843.5	843.5	0.0	843.5
GROSS APPROPRIATION	496,309,800	511,557,200	511,557,200	484,771,400	485,380,100	497,672,300	0	497,672,300
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartmental transfers	839,900	1,095,100	1,095,100	1,095,100	1,095,100	1,095,100	0	1,095,100
ADJUSTED GROSS APPROPRIATION	495,469,900	510,462,100	510,462,100	483,676,300	484,285,000	496,577,200	0	496,577,200
Federal revenues:								
Total federal revenues	330,063,000	306,267,800	306,267,800	306,267,800	306,314,700	306,314,700	0	306,314,700
Special revenue funds:								
Total local revenues	0	0	0	0	0	0	0	0
Total private revenues	52,455,400	52,580,500	52,580,500	52,580,500	53,080,500	53,080,500	0	53,080,500
Total other state restricted revenues	34,889,600	82,757,400	82,757,400	55,971,600	56,367,700	68,665,900	0	68,665,900
State general fund/general purpose	78,061,900	68,856,400	68,856,400	68,856,400	68,522,100	68,516,100	0	68,516,100
<i>Includes Sections 106 - 114</i>								

PUBLIC HEALTH ADMINISTRATION

The Executive Administration line item receives employee-related economic increases of \$86,300 Gross (\$78,400 GF/GP) for a net 4% salary and wage increase, \$185,000 Gross (\$172,300 GF/GP) for defined benefit retirement costs, and \$18,400 Gross (\$16,200 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$64,900 Gross (\$59,200 GF/GP). One minority health FTE and funds totaling \$100,200 Gross are transferred from the Community Living, Children, and Families Administration line item, and 2.0 FTEs and funds totaling \$358,600 Gross are transferred from the Departmental Administration and Management, and Mental Health/Substance Abuse Services Administration line items (combined \$361,600 GF/GP) to reflect the Department's reorganization. The line item is increased by 1.0 FTE to adjust to the current actual number of FTEs supported by this appropriation.

The Minority Health Grants and Contracts line item is increased by \$900,000 Gross (\$0 GF/GP) to address health disparities, as part of the Target Agreement to appropriate \$15.0 million of state restricted Healthy Michigan Funds for prevention projects.

The Vital Records and Health Statistics line item receives employee-related economic increases of \$223,300 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$19,600 Gross (\$0 GF/GP) for defined contribution retirement costs, \$236,000 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$72,500 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$168,100 Gross (\$0 GF/GP). A \$100 federal funding reduction is made to the line as a technical adjustment. The line item is increased by 3.1 FTEs to adjust to the current actual number of FTEs supported by this appropriation. Federal funds are increased by \$96,600 Gross (\$0 GF/GP) from the cancer registry grant. A gross increase of \$210,100 (\$0 GF/GP) is made to the line item of interdepartmental grant revenue received from the Family Independence Agency (FIA) for vital records assistance related to FIA paternity cases. The line item is increased by \$137,500 Gross (\$0 GF/GP) of new federal grant revenue through Wayne State University to build collaboration between the Michigan cancer surveillance program and registry, and the Metropolitan Detroit cancer surveillance program. All GF/GP funding for this line item is replaced with state restricted fee revenue for a net \$0 Gross adjustment (reduction of \$1,492,800 GF/GP), the implementation of which will require a statutory change to Section 2891 of the Public Health Code to increase fees charged for vital records and services.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Executive Administration line item by \$30,000 Gross (all GF/GP) for FY 2003-04. The savings are obtained from elimination of GF/GP funding for one vacant position.

Executive Order 2003-23 reduces the Vital Records and Health Statistics line item by \$9,800 Gross (all GF/GP) for FY 2003-04. The savings are obtained from elimination of \$8,800 for contractual services, supplies and materials, and \$1,000 for travel.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Minority Health Grants and Contracts line item appropriation by \$20,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize a one-time federal grant award to the Michigan Office of Minority Health to convene a conference regarding minority population obesity.

Public Act 309 increases the Vital Records and Health Statistics line item appropriation by \$350,300 Gross (\$0 GF/GP) for FY 2003-04 to recognize \$125,300 of interdepartmental grant funds from FIA, \$125,000 of federal cancer registry funds, and \$100,000 of new federal grant revenue through Wayne State University to build collaboration between the Department and the City of Detroit on cancer registries.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 106. PUBLIC HEALTH ADMINISTRATION								
Full-time equated classified positions	76.3	83.4	83.4	83.4	83.4	83.4	0.0	83.4
Executive administration--* FTE positions	984,300	1,667,900	1,667,900	1,667,900	1,668,000	1,667,900	0	1,667,900
* positions in above line	7.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Minority health grants and contracts	650,000	650,000	650,000	650,000	650,100	1,550,000	0	1,550,000
Vital records and health statistics--* FTE positions	6,131,900	6,959,300	6,959,300	6,959,300	6,959,400	6,959,300	0	6,959,300
* positions in above line	69.3	72.4	72.4	72.4	72.4	72.4	0.0	72.4
GROSS APPROPRIATION	7,766,200	9,277,200	9,277,200	9,277,200	9,277,500	10,177,200	0	10,177,200
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from family independence agency	447,800	689,100	689,100	689,100	689,100	689,100	0	689,100
Federal revenues:								
Total federal revenues	2,045,100	2,479,400	2,479,400	2,479,400	2,479,400	2,479,400	0	2,479,400
Special revenue funds:								
Total other state restricted revenues	2,963,400	4,658,900	4,658,900	4,658,900	4,722,300	5,622,300	0	5,622,300
State general fund/general purpose	2,309,900	1,449,800	1,449,800	1,449,800	1,386,700	1,386,400	0	1,386,400

HEALTH REGULATORY SYSTEMS

Implementing Executive Order 2003-18, 184.0 FTEs and \$17,180,800 Gross (\$4,087,800 GF/GP) for Health Systems Administration are transferred from the former Consumer and Industry Services. Funds for Health Systems Administration are increased by \$740,500 Gross (\$234,700 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Health Services Administration are increased by \$627,700 Gross (\$199,000 GF/GP) for employees' defined benefit retirement costs. Funds for Health Services Administration are increased by \$72,100 Gross (\$22,900 GF/GP) for employees' defined contribution retirement costs. Funds for Health Services Administration are increased by \$202,800 Gross (\$64,300 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$557,000 Gross which resulted in an increase of \$5,600 GF/GP is included in the budget for Health Systems Administration. Recent information indicates that the savings will be realized through extension of the Banked Leave Time Program.

Implementing Executive Order 2003-18, 5.0 FTEs and \$904,700 Gross (\$266,600 GF/GP) for Emergency Medical Services Program State Staff are transferred from the former Consumer and Industry Services. Funds for Emergency Medical Services Program State Staff are increased by \$16,000 Gross (\$9,300 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Emergency Medical Services Program State Staff are increased by \$26,400 Gross (\$15,400 GF/GP) for employees' defined benefit retirement costs. Funds for Emergency Medical Services Program State Staff are increased by \$5,500 Gross (\$3,200 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$12,000 Gross (\$0 GF/GP) are included in the budget for Emergency Medical Services Program State Staff. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

Implementing Executive Order 2003-18, 25.0 FTEs and \$2,023,600 Gross (\$0 GF/GP) for Radiological Health Administration are transferred from the former Consumer and Industry Services. Funds for Radiological Health Administration are increased by \$81,000 Gross (\$0 GF/GP) for a net 4.0% economic increase for employees' salaries and wages. Funds for Radiological Health Administration are increased by \$113,500 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Radiological Health Administration are increased by \$7,000 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Radiological Health Administration are increased by \$27,200 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-savings of \$60,900 Gross (\$0 GF/GP) are included in the budget for Radiological Health Administration. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

Implementing Executive Order 2003-18, 4.0 FTEs and \$397,900 Gross (all GF/GP) for Substance Abuse Program Administration are transferred from the former Consumer and Industry Services. Funds for Substance Abuse Program Administration are increased by \$7,500 Gross (all GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Substance Abuse Program Administration are increased by \$12,500 Gross (all GF/GP) for employees' defined benefit retirement costs. Funds for Substance Abuse Program Administration are increased by \$1,800 Gross (all GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$5,600 Gross (all GF/GP) are anticipated for Substance Abuse Program Administration. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program.

Implementing Executive Order 2003-18, \$1,046,200 Gross (\$67,900 GF/GP) for Emergency Medical Services Grants and Services are transferred from the former Consumer and Industry Services.

Implementing Executive Order 2003-18, 116.0 FTEs and \$14,207,000 Gross (\$0 GF/GP) for Health Services are transferred from the former Consumer and Industry Services. At the request of the Department of Community Health, Health Services is renamed Health Professions. Funds for Health Professions are increased by \$355,100 Gross (\$0 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Health Professions are increased by \$365,300 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Health Professions are reduced by \$5,500 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Health Professions are increased by \$108,100 Gross (\$0 GF/GP) for employees' insurance costs. Unspecified employee-related savings of \$267,200 Gross (\$0 GF/GP) are anticipated for Health Professions. Recent information indicates that these savings will be realized through extension of the Banked Leave Time Program. An additional 5.0 FTEs and \$332,700 of state restricted revenue are included in the budget for Health Professions. Additional FTEs and funds are needed to comply with Public Act 3 of 2004 which amended the Public Health Code by establishing licensing requirements for respiratory therapists and respiratory care practitioners.

	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05		
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 107. HEALTH REGULATORY SYSTEMS								
Full-time equated classified positions	0.0	334.0	334.0	334.0	339.0	339.0	0.0	339.0
Health systems administration--* FTE positions	0	18,266,900	18,266,900	18,266,900	18,267,000	18,266,900	0	18,266,900
* positions in above line	0.0	184.0	184.0	184.0	184.0	184.0	0.0	184.0
Emergency medical services program state staff--* FTE	0	940,600	940,600	940,600	940,700	940,600	0	940,600
* positions in above line	0.0	5.0	5.0	5.0	5.0	5.0	0.0	5.0
Radiological health administration--* FTE positions	0	2,191,400	2,191,400	2,191,400	2,191,500	2,191,400	0	2,191,400
* positions in above line	0.0	25.0	25.0	25.0	25.0	25.0	0.0	25.0
Substance abuse program administration--* FTE positions	0	414,100	414,100	414,100	414,200	414,100	0	414,100
* positions in above line	0.0	4.0	4.0	4.0	4.0	4.0	0.0	4.0
Emergency medical services grants and services	0	1,046,200	1,046,200	1,046,200	1,046,300	1,046,200	0	1,046,200
Health professions--* FTE positions	0	14,762,800	14,762,800	14,762,800	15,095,600	15,095,500	0	15,095,500
* positions in above line	0.0	116.0	116.0	116.0	121.0	121.0	0.0	121.0
GROSS APPROPRIATION	0	37,622,000	37,622,000	37,622,000	37,955,300	37,954,700	0	37,954,700
Appropriated from:								
Federal revenues:								
Total federal revenues	0	13,481,800	13,481,800	13,481,800	13,481,800	13,481,800	0	13,481,800
Special revenue funds:								
Total other state restricted revenues	0	18,749,400	18,749,400	18,749,400	19,082,100	19,082,100	0	19,082,100
State general fund/general purpose	0	5,390,800	5,390,800	5,390,800	5,391,400	5,390,800	0	5,390,800

INFECTIOUS DISEASE CONTROL

The AIDS Prevention, Testing, and Care Programs line item receives employee-related economic increases of \$45,700 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$5,400 Gross (\$0 GF/GP) for defined contribution retirement costs, \$46,300 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$13,200 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$34,400 Gross (\$0 GF/GP). The line item is reduced by 1.0 FTE to adjust to the current actual number of FTEs supported by this appropriation. The line item is reduced by \$320,600 Gross (\$0 GF/GP) to recognize completion of the federal grant for HIV client level data evaluation. An increase of \$500,000 Gross (\$0 GF/GP) is made to the line item to recognize a new federal grant award to integrate viral hepatitis vaccination and testing and STD testing into an existing HIV counseling, testing and referral program for persons at high risk. An increase of \$808,700 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) adjustment is made to correct employee-related economics fund sourcing, replacing federal funds with state restricted funds.

The Immunization Local Agreements line item is increased by \$20,000 Gross (all GF/GP) to provide tetanus and diphtheria immunization opportunities for persons age 65 and older who are residents of long-term care facilities.

The Immunization Program Management and Field Support line item receives employee-related economic increases of \$56,500 Gross (\$7,900 GF/GP) for a net 4% salary and wage adjustment, \$5,700 Gross (\$800 GF/GP) for defined contribution retirement costs, \$56,100 Gross (\$19,700 GF/GP) for defined benefit retirement costs, and \$12,500 Gross (\$400 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$42,500 Gross (\$6,000 GF/GP). A net \$0 Gross (reduction of \$8,100 GF/GP) adjustment is made to correct employee-related economics fund sourcing, replacing GF/GP funds with federal funds.

There are no changes to the Sexually Transmitted Disease Control Local Agreements line item.

The Sexually Transmitted Disease Control Management and Field Support line item receives employee-related economic increases of \$88,600 Gross (\$42,500 GF/GP) for a net 4% salary and wage adjustment, \$9,500 Gross (\$4,500 GF/GP) for defined contribution retirement costs, \$108,100 Gross (\$33,200 GF/GP) for defined benefit retirement costs, and \$24,200 Gross (\$11,600 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$66,600 Gross (\$32,000 GF/GP). The line item is reduced by 1.0 FTE associated with the Executive

Order 2003-23 reduction in administrative funding, and by 0.3 FTEs to adjust to the current actual number of FTEs supported by this appropriation. A net \$0 Gross (\$8,100 GF/GP) adjustment is made to correct employee-related economics fund sourcing, replacing state restricted funds with GF/GP funds.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Sexually Transmitted Disease Control Management and Field Support line item by \$58,300 Gross (all GF/GP) for FY 2003-04. The savings are obtained from elimination of GF/GP funding for one vacant position.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 108. INFECTIOUS DISEASE CONTROL								
Full-time equated classified positions	51.3	49.0	49.0	49.0	49.0	49.0	0.0	49.0
AIDS prevention, testing, and care programs--* FTE po	29,158,600	29,722,900	29,722,900	29,722,900	30,223,000	30,222,900	0	30,222,900
* positions in above line	13.0	12.0	12.0	12.0	12.0	12.0	0.0	12.0
Immunization local agreements	13,990,300	13,990,300	13,990,300	13,990,300	14,010,400	14,010,300	0	14,010,300
Immunization program management and field support--	1,582,100	1,670,400	1,670,400	1,670,400	1,670,500	1,670,400	0	1,670,400
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	0.0	14.0
Sexually transmitted disease control local agreements	3,494,900	3,494,900	3,494,900	3,494,900	3,495,000	3,494,900	0	3,494,900
Sexually transmitted disease control management and	3,318,800	3,482,600	3,482,600	3,482,600	3,482,700	3,482,600	0	3,482,600
* positions in above line	24.3	23.0	23.0	23.0	23.0	23.0	0.0	23.0
GROSS APPROPRIATION	51,544,700	52,361,100	52,361,100	52,361,100	52,881,600	52,881,100	0	52,881,100
Appropriated from:								
Federal revenues:								
Total federal revenues	37,593,000	37,839,500	37,839,500	37,839,500	37,839,500	37,839,500	0	37,839,500
Special revenue funds:								
Total private revenues	1,847,000	2,155,700	2,155,700	2,155,700	2,655,700	2,655,700	0	2,655,700
Total other state restricted revenues	7,550,000	7,728,600	7,728,600	7,728,600	7,728,600	7,728,600	0	7,728,600
State general fund/general purpose	4,554,700	4,637,300	4,637,300	4,637,300	4,657,800	4,657,300	0	4,657,300

LABORATORY SERVICES

The Laboratory Services line item receives employee-related economic increases of \$408,100 Gross (\$256,200 GF/GP) for a net 4% salary and wage adjustment, \$36,400 Gross (\$41,800 GF/GP) for defined contribution retirement costs, \$427,800 Gross (\$252,000 GF/GP) for defined benefit retirement costs, and \$133,200 Gross (\$81,900 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$307,000 Gross (\$204,800 GF/GP). The line item has a net reduction of 0.2 FTEs due to a reduction of 1.0 FTE associated with the Executive Order 2003-23 reduction in administrative funding, and an increase of 0.8 FTEs to adjust to the current actual number of FTEs supported by this appropriation. FTE and federal funding increases are made to the line item totaling 4.0 and \$700,000 Gross (\$0 GF/GP) for two new federal grant awards: 3.0 FTEs and \$500,000 to provide tuberculosis genotyping ("DNA fingerprinting") and surveillance services for a national Centers for Disease Control and Prevention projects, as provided from 1996 through 2002; and 1.0 FTE and \$200,000 to integrate clinical laboratories in public health laboratory testing. The line item is increased by \$901,800 Gross (\$0 GF/GP) to recognize additional laboratory services revenue from an increase in the newborn screening test fee effective April 2003, and from the statutorily-authorized annual inflationary fee increase. An increase of \$75,000 Gross (\$0 GF/GP) is made to the line item to recognize state restricted fee revenue for contractual services to Michigan State University for blood testing of participants for a study of the effects of organochlorine pesticides on male infertility.

A new line item is established, Bovine Tuberculosis. Two FTEs and state restricted Michigan Health Initiative funding of \$500,000 Gross (\$0 GF/GP) are provided to extend the bovine tuberculosis program for two years. The current program of testing, surveillance and interdepartmental coordination has been operating on a FY 2000-01 GF/GP work project appropriation of \$749,000.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Laboratory Services line item for FY 2003-04 by \$86,500 Gross (all GF/GP). The savings are obtained from elimination of \$43,700 of GF/GP funding for one vacant position, \$38,500 for contractual services, supplies and materials, and \$4,300 for travel.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Laboratory Services line item appropriation by \$1,991,500 Gross (\$0 GF/GP) for FY 2003-04 to recognize \$1,300,000 in additional revenue from state restricted newborn screening test fees, new federal grant funds of \$485,000 for tuberculosis genotyping and surveillance, and new federal grant funds of \$206,500 to integrate clinical laboratories in public health laboratory testing.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 109. LABORATORY SERVICES								
Full-time equated classified positions	115.2	115.0	115.0	115.0	121.0	121.0	0.0	121.0
Bovine tuberculosis--* FTE positions	0	500,000	500,000	500,000	500,100	500,000	0	500,000
* positions in above line	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0
Laboratory services--* FTE positions	12,005,100	14,380,400	14,380,400	14,380,400	14,380,500	14,380,400	0	14,380,400
* positions in above line	115.2	115.0	115.0	115.0	119.0	119.0	0.0	119.0
GROSS APPROPRIATION	12,005,100	14,880,400	14,880,400	14,880,400	14,880,600	14,880,400	0	14,880,400
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from environmental quality	392,100	406,000	406,000	406,000	406,000	406,000	0	406,000
Federal revenues:								
Total federal revenues	2,040,100	2,819,900	2,819,900	2,819,900	2,819,900	2,819,900	0	2,819,900
Special revenue funds:								
Total other state restricted revenues	3,131,300	4,785,800	4,785,800	4,785,800	4,785,800	4,785,800	0	4,785,800
State general fund/general purpose	6,441,600	6,868,700	6,868,700	6,868,700	6,868,900	6,868,700	0	6,868,700

EPIDEMIOLOGY

The AIDS Surveillance and Prevention Program line item is increased by \$4,700 Gross (\$0 GF/GP) to recognize additional federal funding anticipated from the Outcomes Assessment Through Systems of Integrated Surveillance grant (OASIS), part of the Preventive Health Services – Sexually Transmitted Diseases Control grant.

The Asthma Prevention and Control line item receives employee-related economic increases of \$5,400 Gross (all GF/GP) for a net 4% salary and wage adjustment, \$700 Gross (all GF/GP) for defined contribution retirement costs, \$1,600 Gross (all GF/GP) for defined benefit retirement costs, and \$800 Gross (all GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$4,000 Gross (all GF/GP). An increase of 2.3 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation.

The Bioterrorism Preparedness line item receives employee-related economic increases of \$272,200 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$85,300 Gross (\$0 GF/GP) for defined contribution retirement costs, \$96,400 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$73,200 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$204,800 Gross (\$0 GF/GP). Available carryforward funding of \$2,000,000 Gross (\$0 GF/GP) from the federal grants for Public Health Preparedness and Response for Bioterrorism and the Bioterrorism Hospital Preparedness Program is recognized for expenditure by an increase in the appropriation.

The Epidemiology Administration line item receives employee-related economic increases of \$161,600 Gross (\$63,800 GF/GP) for a net 4% salary and wage adjustment, \$6,500 Gross (\$2,900 GF/GP) for defined contribution retirement costs, \$161,100 Gross (\$63,100 GF/GP) for defined benefit retirement costs, and \$38,600 Gross (\$15,100 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$121,700 Gross (\$50,900 GF/GP). Federal funding increases (\$0 GF/GP) are made to the line item of \$49,200 from the Core Occupational Health Surveillance grant, and \$12,700 from the Behavioral Risk Factor Surveillance grant. New federal funding is appropriated for the following: \$250,000 Gross (\$0 GF/GP) from a new Genomics Grant to enhance the use of the study of the human genome in epidemiology and core public health functions; and \$43,900 Gross (\$0 GF/GP) from a federal Environmental Protection Agency Endocrine Disruptors Study Project grant, through the State of Wisconsin, to assess chemical contamination in fish as part of a study of the impact of chemicals on the endocrine systems of humans and wildlife. Increases to the line item recognize the following new private grant funds: \$25,000 Gross (\$0 GF/GP) from the March of Dimes to continue an earlier project to identify sources of statewide data on folic acid awareness, distribute birth defect prevention materials, and develop educational programs for health professionals and at-risk groups; and

\$52,500 Gross (\$0 GF/GP) from Emory University to conduct work related to "The Michigan PBB Cohort 30 Years Later: Endocrine Disruptor". The line item is increased by a net 10.6 FTEs including: eliminate 3.0 FTEs related to an unrealized federal public health tracking grant struck from the FY 2003-04 budget, increase of 1.6 FTEs to reflect federal grant awards, and increase of 12.0 FTEs to adjust to the current actual number of FTEs supported by this appropriation. The Birth Defects Surveillance Program and its federal funds totaling \$190,000 Gross (\$0 GF/GP) are transferred from the Special Projects line item of the Community Living, Children, and Families Administration appropriation unit to this line item to reflect the Department's reorganization.

There are no changes to the Tuberculosis Control and Recalcitrant AIDS Program line item.

A new line item, Newborn Screening Follow-Up and Treatment Services, is established in this appropriation unit as a complete transfer of the Newborn Screening Follow-Up and Treatment Services line item from the Community Living, Children, and Families appropriation unit of \$2,814,500 Gross (\$0 GF/GP) of state restricted funds. The new line item appropriation also includes a transfer of \$462,000 Gross (\$0 GF/GP) of state restricted funds and 5.0 FTEs from the Community Living, Children, and Families Administration line item. The line item receives employee-related economic increases of \$21,800 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$44,800 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$7,500 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$16,300 Gross (\$0 GF/GP). The line item is reduced by \$21,800 Gross (\$0 GF/GP) for defined contribution retirement costs. The line item is increased by \$400,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for early hearing detection and screening programs, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Epidemiology Administration line item for FY 2003-04 by \$11,500 Gross (all GF/GP). The savings are obtained from elimination of \$10,300 for contractual services, supplies and materials, and \$1,200 for travel.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the AIDS Surveillance and Prevention Program line item appropriation by \$203,200 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal grant revenue for ongoing HIV/AIDS surveillance system evaluation.

Public Act 309 increases the Bioterrorism Preparedness line item appropriation by \$600,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal Hospital Bioterrorism Preparedness and Response grant funding for enhanced support to areas in the City of Detroit at high risk of a terrorist event.

Public Act 309 increases the Epidemiology Administration line item appropriation by \$392,500 Gross (\$0 GF/GP) for FY 2003-04 to recognize federal grant adjustments including new funding of \$312,500 to enhance the use of genomics in epidemiology and core public health functions, and \$80,000 from the Environmental Protection Agency Endocrine Disruptors project to assess chemical contamination in fish as part of a study of the impact of chemicals on the endocrine systems of humans and wildlife.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 110. EPIDEMIOLOGY								
Full-time equated classified positions	90.0	104.0	104.0	104.0	107.9	107.9	0.0	107.9
AIDS surveillance and prevention program	1,883,100	1,887,800	1,887,800	1,887,800	1,887,900	1,887,800	0	1,887,800
Asthma prevention and control--* FTE positions	1,032,300	1,036,800	1,036,800	1,036,800	1,036,900	1,036,800	0	1,036,800
* positions in above line	0.0	0.0	0.0	0.0	2.3	2.3	0.0	2.3
Bioterrorism preparedness--* FTE positions	49,579,900	51,902,200	51,902,200	51,902,200	51,902,300	51,902,200	0	51,902,200
* positions in above line	59.5	64.5	64.5	64.5	59.5	59.5	0.0	59.5
Epidemiology administration--* FTE positions	5,364,200	6,238,900	6,238,900	6,238,900	6,233,700	6,233,600	0	6,233,600
* positions in above line	30.5	39.5	39.5	39.5	41.1	41.1	0.0	41.1
Newborn screening follow-up and treatment services--*	0	3,307,200	3,307,200	3,307,200	3,312,600	3,712,500	0	3,712,500
* positions in above line	0.0	0.0	0.0	0.0	5.0	5.0	0.0	5.0
Tuberculosis control and recalcitrant AIDS program	867,000	867,000	867,000	867,000	867,100	867,000	0	867,000
GROSS APPROPRIATION	58,726,500	65,239,900	65,239,900	65,239,900	65,240,500	65,639,900	0	65,639,900
Appropriated from:								
Federal revenues:								
Total federal revenues	56,619,600	59,642,500	59,642,500	59,642,500	59,642,500	59,642,500	0	59,642,500
Special revenue funds:								
Total private revenues	0	77,500	77,500	77,500	77,500	77,500	0	77,500
Total other state restricted revenues	179,000	3,493,500	3,493,500	3,493,500	3,493,500	3,893,500	0	3,893,500
State general fund/general purpose	1,927,900	2,026,400	2,026,400	2,026,400	2,027,000	2,026,400	0	2,026,400

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 \$31,500 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$5,300 Gross (\$0 GF/GP) for defined contribution retirement costs, \$25,900 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$10,300 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$23,700 Gross (\$0 GF/GP). An increase of 4.0 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is increased by \$128,900 Gross (\$0 GF/GP) to recognize carryforward fee revenue from certification of lead abatement professional workers, inspectors, contractors, and training providers, that is available for expenditure. The line item is reduced by \$289,500 Gross (\$0 GF/GP) of state restricted authorization for expenditure of the Clean Michigan Initiative (CMI) Bond Funds for lead abatement which are fully expended as of FY 2003-04.

There are no changes to the Local Health Services line item.

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 2003-04 SUPPLEMENTAL ACTIONS

PUBLIC ACT 237 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 237 increases the Lead Abatement Program line item by \$289,500 Gross (\$0 GF/GP) for FY 2003-04. The bill provides state restricted funding authorization for the remaining Clean Michigan Initiative (CMI) Bond funds set aside for lead abatement, to be expended as originally planned. CMI funding of \$5.0 million was originally appropriated in FY 1999-2000 for residential lead hazard remediation, and was continued as a work project through FY 2002-03. This supplemental appropriation was needed because \$289,500 was not encumbered prior to the end of the 2002-03 fiscal year as intended.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Lead Abatement Program line item by \$100,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize federal Environmental Protection Agency funding awarded to support special awareness and education projects related to housing renovations and compliance with federal lead hazard information distribution requirements.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS								
Full-time equated classified positions	3.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
Implementation of 1993 PA 133, MCL 333.17015	100,000	100,000	100,000	100,000	100,100	100,000	0	100,000
Lead abatement program--* FTE positions	1,839,700	1,728,400	1,728,400	1,728,400	1,728,500	1,728,400	0	1,728,400
* positions in above line	3.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
Local health services	220,000	220,000	220,000	220,000	220,100	220,000	0	220,000
Local public health operations	40,618,400	40,618,400	40,618,400	40,618,400	40,618,500	40,618,400	0	40,618,400
Medical services cost reimbursement to local health de	1,800,000	1,800,000	1,800,000	1,800,000	1,800,100	1,800,000	0	1,800,000
GROSS APPROPRIATION	44,578,100	44,466,800	44,466,800	44,466,800	44,467,300	44,466,800	0	44,466,800
Appropriated from:								
Federal revenues:								
Total federal revenues	3,249,100	3,291,000	3,291,000	3,291,000	3,291,000	3,291,000	0	3,291,000
Special revenue funds:								
Total other state restricted revenues	634,100	480,900	480,900	480,900	480,900	480,900	0	480,900
State general fund/general purpose	40,694,900	40,694,900	40,694,900	40,694,900	40,695,400	40,694,900	0	40,694,900

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

There are no changes to the African-American Male Health Initiative line item.

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

The Alzheimer's Information Network line item is increased by \$110,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for Alzheimer's disease projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Cancer Prevention and Control Program line item receives employee-related economic increases of \$55,900 Gross (\$7,600 GF/GP) for a net 4% salary and wage adjustment, \$9,800 Gross (\$7,200 GF/GP) for defined contribution retirement costs, \$31,100 Gross (a reduction of \$19,900 GF/GP) for defined benefit retirement costs, and \$14,200 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$42,000 Gross (\$6,100 GF/GP). An increase of 3.7 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is increased by \$2,131,700 Gross (\$0 GF/GP) to reflect anticipated increases of \$1,149,400 from the federal Comprehensive Breast and Cervical Cancer Early Detection Program grant, and \$982,300 from the federal Comprehensive Cancer Control grant. The line item is increased by \$1,500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for cancer prevention projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Chronic Disease Prevention line item receives employee-related economic increases of \$3,300 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$5,200 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$100 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$2,500 Gross (\$0 GF/GP). The Chronic Disease Prevention line item is increased by \$657,600 Gross (\$0 GF/GP) and 1.0 FTE to recognize an increase in the annual funding from the federal Arthritis Program grant. The line item is increased by \$3,048,200 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds including \$2,598,200 for cardiovascular health projects, \$50,000 for children's arthritis, and \$400,000 for osteoporosis projects, all as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Diabetes and Kidney Program line item receives employee-related economic increases of \$38,000 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$3,300 Gross (\$0 GF/GP) for defined contribution retirement costs, \$41,300 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$9,800 Gross (\$0 GF/GP) for increased insurance costs.

Economic increases are partially offset by unspecified employee-related reductions of \$28,600 Gross (\$0 GF/GP). An increase of 1.1 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is increased by \$54,200 Gross (\$0 GF/GP) to recognize an increase in the annual funding anticipated from the federal Diabetes Control grant. The line item is increased by \$500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for diabetes projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Health Education, Promotion, and Research Programs line item receives employee-related economic increases of \$48,600 Gross (\$25,700 GF/GP) for a net 4% salary and wage adjustment, \$1,600 Gross (\$2,200 GF/GP) for defined contribution retirement costs, \$57,500 Gross (\$50,500 GF/GP) for defined benefit retirement costs, and \$11,000 Gross (\$9,300 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$36,600 Gross (\$20,500 GF/GP). A net \$0 Gross (\$2,600 GF/GP) adjustment is made to employee-related economics fund sourcing, replacing federal funds with GF/GP and state restricted funds. One School Health Education Curriculum Development FTE and related funds totaling \$102,800 Gross (\$0 GF/GP) are transferred from this line item to the Community Living, Children, and Families Administration line item to reflect the Department's reorganization. A reduction of 0.7 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation.

The Injury Control Intervention Project line item receives employee-related economic increases of \$3,600 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$300 Gross (\$1,200 GF/GP) for defined contribution retirement costs, \$3,300 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$700 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$2,700 Gross (\$0 GF/GP). An increase of 1.0 FTE is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is reduced by \$200,000 Gross (\$0 GF/GP) to recognize completion of the federal Traumatic Brain Injury grant.

A new Michigan Parkinson's Foundation line item is re-established by an appropriation of \$200,000 Gross (\$0 GF/GP), of state restricted Healthy Michigan Funds for Parkinson's Disease projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects. This line item was previously funded in FY 2000-01 and FY 2001-02.

The Morris Hood Wayne State University Diabetes Outreach line item's GF/GP funding of \$250,000 is eliminated. \$400,000 of state restricted Healthy Michigan Funds is appropriated for this line item, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Obesity Program line item is eliminated with a reduction of \$250,000 Gross (\$0 GF/GP) of federal funds due to the completion of the grant for Nutrition and Physical Activity Programs to Prevent Obesity and Related Chronic Diseases. The grant period was from FY 2000-01 through FY 2003-04.

The Physical Fitness, Nutrition, and Health line item is increased by \$900,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for physical fitness, nutrition and health projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Public Health Traffic Safety Coordination line item is increased by \$214,500 Gross (\$0 GF/GP) to recognize new federal funding for community-based interventions to reduce motor vehicle-related injuries.

The School Health and Education Programs line item is transferred as an intact line item, \$500,000 Gross (all GF/GP), from this appropriation unit to the Community Living, Children, and Families appropriation unit, to reflect the Department's reorganization.

The Smoking Prevention Program line item receives employee-related economic increases of \$49,900 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$6,300 Gross (\$0 GF/GP) for defined contribution retirement costs, \$31,000 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$12,200 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$37,500 Gross (\$0 GF/GP). An increase of 1.1 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is increased by \$1,500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for smoking prevention projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

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

The Violence Prevention line item receives employee-related economic increases of \$8,400 Gross (\$400 GF/GP) for a net 4% salary and wage adjustment, \$800 Gross (\$2,400 GF/GP) for defined contribution retirement costs, and \$2,300 Gross (\$100 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$6,300 Gross (\$300 GF/GP). A net \$0 Gross (reduction of \$2,600 GF/GP) adjustment is made to employee-related economics fund sourcing, replacing GF/GP funds with federal funds. An increase of 2.0 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. The line item is increased by \$327,500 Gross (\$0 GF/GP) to recognize an increase in annual federal funding from the Injury Prevention and Control, Rape Prevention and Education grant.

FY 2003-04 SUPPLEMENTAL ACTIONS

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Cancer Prevention and Control Program line item by \$2,868,200 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional revenue from the federal Breast and Cervical Cancer Control grant.

Public Act 309 increases the Chronic Disease Prevention line item by \$707,400 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal grant awards including a one-time \$24,000 obesity grant, a one-time \$25,000 grant to promote healthy weight programs in schools, and increased arthritis grant funds requiring \$658,400 of additional federal authorization.

Public Act 309 increases the Diabetes and Kidney Program line item by \$222,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize an increase in federal Diabetes Control grant funds.

Public Act 309 increases the Public Health Traffic Safety Coordination line item by \$214,500 Gross (\$0 GF/GP) for FY 2003-04 to appropriate new federal grant award revenue for community-based interventions to reduce motor vehicle-related injuries.

Public Act 309 increases the Violence Prevention line item by \$310,800 Gross (\$0 GF/GP) for FY 2003-04 to appropriate additional revenue available from the ongoing federal Rape Prevention and Education grant.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION								
Full-time equated classified positions	41.6	45.8	45.8	45.8	49.8	49.8	0.0	49.8
African-American male health initiative	106,700	106,700	106,700	106,700	106,800	106,700	0	106,700
AIDS and risk reduction clearinghouse and media campaign	1,576,000	1,576,000	1,576,000	1,576,000	1,576,100	1,576,000	0	1,576,000
Alzheimer's information network	440,000	440,000	440,000	440,000	440,100	550,000	0	550,000
Cancer prevention and control program--* FTE positions	11,043,100	13,243,800	13,243,800	13,243,800	13,243,900	14,743,800	0	14,743,800
* positions in above line	10.6	14.3	14.3	14.3	14.3	14.3	0.0	14.3
Chronic disease prevention--* FTE positions	1,622,400	15,411,200	15,411,200	2,286,100	2,286,200	5,334,300	0	5,334,300
* positions in above line	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0
Diabetes and kidney program--* FTE positions	2,953,900	3,071,900	3,071,900	3,071,900	3,072,000	3,571,900	0	3,571,900
* positions in above line	8.0	9.1	9.1	9.1	9.1	9.1	0.0	9.1
Health education, promotion, and research programs--*	1,038,800	1,018,100	1,018,100	1,018,100	1,018,200	1,018,100	0	1,018,100
* positions in above line	11.0	9.3	9.3	9.3	9.3	9.3	0.0	9.3
Injury control intervention project--* FTE positions	714,900	520,100	520,100	520,100	520,200	520,100	0	520,100
* positions in above line	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0
Michigan Parkinson's foundation	0	0	0	0	0	200,000	0	200,000
Morris Hood Wayne State University diabetes outreach	250,000	250,000	250,000	250,000	100	400,000	0	400,000
Obesity program	250,000	0	0	0	100	0	0	0
Physical fitness, nutrition, and health	100,000	100,000	100,000	100,000	100,100	1,000,000	0	1,000,000
Public health traffic safety coordination	350,000	564,500	564,500	564,500	564,600	564,500	0	564,500
School health and education programs	500,000	0	0	0	0	0	0	0
Smoking prevention program--* FTE positions	4,852,700	9,914,600	9,914,600	4,914,600	4,914,700	6,414,600	0	6,414,600
* positions in above line	12.0	13.1	13.1	13.1	13.1	13.1	0.0	13.1
Tobacco tax collection and enforcement	810,000	810,000	810,000	810,000	810,100	810,000	0	810,000
Violence prevention--* FTE positions	1,446,900	1,779,600	1,779,600	1,779,600	1,779,700	1,779,600	0	1,779,600
* positions in above line	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0
GROSS APPROPRIATION	28,055,400	48,806,500	48,806,500	30,681,400	30,432,900	38,589,600	0	38,589,600
Appropriated from:								
Federal revenues:								
Total federal revenues	15,493,200	18,440,700	18,440,700	18,440,700	18,440,700	18,440,700	0	18,440,700
Special revenue funds:								
Total other state restricted revenues	9,891,800	28,135,600	28,135,600	10,010,500	10,010,500	18,168,700	0	18,168,700
State general fund/general purpose	2,670,400	2,230,200	2,230,200	2,230,200	1,981,700	1,980,200	0	1,980,200

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

(renamed from COMMUNITY LIVING, CHILDREN, AND FAMILIES to reflect Department reorganization)

The Childhood Lead Program line item receives employee-related economic increases of \$19,500 Gross (\$3,000 GF/GP) for a net 4% salary and wage adjustment, \$2,400 Gross (\$400 GF/GP) for defined contribution retirement costs, \$9,400 Gross (\$1,300 GF/GP) for defined benefit retirement costs, and \$5,300 Gross (\$800 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$14,700 Gross (\$2,300 GF/GP). An increase of 0.8 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation. A funding adjustment of net \$0 Gross (\$16,800 GF/GP) is made to the line item, replacing federal Maternal and Child Health Block Grant funds with GF/GP to provide needed state match for federal funds. The line item is increased by \$1,000,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for childhood lead prevention projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Children's Waiver Home Care Program line item is adjusted by a net \$0 Gross (\$505,100 GF/GP) replacement of federal funds with GF/GP due to completion of the one-time enhanced federal Medicaid matching rate (FMAP) of 58.84% providing additional federal Medicaid funding to states in FY 2003-04. The line item is adjusted by a net \$0 Gross (reduction of \$160,300 GF/GP) replacement of GF/GP funds with federal funds due to an increase in the regular FMAP rate for FY 2004-05 from 55.89% to 56.71%. The line item is transferred intact, \$19,549,800 Gross (\$8,463,100 GF/GP), from this appropriation unit to the Community Mental Health/Substance Abuse Services Programs appropriation unit, to reflect the Department's reorganization. This program was part of the state Mental Health Administration prior to FY 1999-2000.

The Community Living, Children, and Families Administration line item is renamed "Family, Maternal, and Children's Health Services Administration" to reflect Department reorganization. The line item receives employee-related economic increases of \$111,100 Gross (\$41,400 GF/GP) for a net 4% salary and wage adjustment, \$45,100 Gross (\$38,400 GF/GP) for defined contribution retirement costs, \$87,000 Gross (\$18,100 GF/GP) for defined benefit retirement costs, and \$28,100 Gross (\$11,000 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$83,600 Gross (\$33,200 GF/GP). The line item has a net reduction of \$2,613,400 Gross (\$1,899,200 GF/GP) and 21.3 FTEs with the following transfers in and out to reflect the Department's reorganization: 1.0 School Health FTE and \$102,800 from the Health Education, Promotion and Research Programs line item, 16.3 Children's Services and Housing FTEs and \$2,154,000 to the Mental Health/Substance Abuse Program Administration line item, 5.0 FTEs and \$462,000 to the Newborn Screening Follow-Up and Treatment Services line item,

and 1.0 Minority Health FTE and \$100,200 to the Executive Administration line item. An increase of 0.9 FTEs is made to adjust to the current actual number of FTEs supported by this appropriation.

The Dental Programs line item funding is adjusted by a net \$0 Gross (reduction of \$225,000 GF/GP) replacement of GF/GP funds with federal Maternal and Child Health Block Grant funds, to move GF/GP to line items where state match is needed for federal funds.

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

There are no changes to the Early Childhood Collaborative Secondary Prevention line item.

The Family Planning Local Agreements line item is increased by \$952,200 Gross (\$0 GF/GP) to recognize additional funding anticipated from the ongoing federal Title X Family Planning grant for family planning programs.

The Family Support Subsidy line item is increased by \$1,087,200 Gross (\$0 GF/GP) with federal Temporary Assistance for Needy Families (TANF) funds to meet a projected average caseload of over 6,250 children, reflecting a continued increase in participation in this program. The line item is transferred intact, \$16,680,700 Gross (\$0 GF/GP), from this appropriation unit to the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit, to reflect the Department's reorganization. This program was part of the Mental Health Administration prior to FY 1999-2000.

The Housing and Support Services line item is increased by \$438,400 Gross (\$0 GF/GP) in federal funding authorization to reflect an anticipated increase in the Shelter Plus Care grant. The line item is transferred intact, \$6,017,700 Gross (\$708,800 GF/GP), from this appropriation unit to the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit, to reflect the Department's reorganization. This program was part of the Mental Health Administration prior to FY 1999-2000.

The Local MCH Services line item is reduced by the transfer of the Maternity Outpatient Medical Services (MOMS) program, \$5,786,000 Gross (\$0 GF/GP), from this line item to the Hospital Services and Therapy line item in the Medical Services appropriation unit, to reflect the Department's reorganization. The program now covers delivery as well as prenatal care, using federal State Children's Health Insurance Program (SCHIP) Title XXI funding, and state restricted Healthy Michigan Funds.

The Migrant Health Care line item is increased by \$102,200 Gross (\$0 GF/GP) to recognize additional federal Medicaid funds anticipated to be available to the migrant health program for immunization services. Federal Maternal and Child Health Block Grant funds of \$30,000 Gross (\$0 GF/GP) are removed from the line item. The line item is increased by \$340,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for migrant health programs, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Newborn Screening Follow-Up and Treatment Services line item is increased by \$386,500 Gross (\$0 GF/GP) to recognize additional revenue resulting from an increase in the newborn screening test fee effective April 2003, and from the statutorily-authorized annual inflationary fee increase. The line item is transferred intact, \$2,814,500 Gross (\$0 GF/GP), from this appropriation unit to the Epidemiology appropriation unit to reflect the Department's reorganization.

The Omnibus Budget Reconciliation Act Implementation line item is adjusted by a net \$0 Gross (\$68,700 GF/GP) replacement of federal funds with GF/GP due to completion of the one-time enhanced federal Medicaid matching rate (FMAP) of 58.84% providing additional federal Medicaid funding to states in FY 2003-04. The line item is adjusted by a net \$0 Gross (reduction of \$21,800 GF/GP) replacement of GF/GP funds with federal funds due to an increase in the regular FMAP rate for FY 2004-05 from 55.89% to 56.71%. The line item is transferred intact, \$12,770,500 Gross (\$3,850,600 GF/GP) and 7.0 FTEs, from this appropriation unit to the Community Mental Health/Substance Abuse Services Programs appropriation unit, to reflect the Department's reorganization. This program was part of the state Mental Health Administration prior to FY 1999-2000.

The Pediatric AIDS Prevention and Control line item is increased by \$150,500 Gross (\$0 GF/GP) to recognize an increase in funding anticipated from the ongoing federal Ryan White Title IV Pediatric AIDS Prevention grant.

There are no changes to the Pregnancy Prevention Program line item.

The Prenatal Care Outreach and Service Delivery Support is adjusted by a net \$0 Gross (\$308,200 GF/GP) replacement of federal Maternal and Child Health Block Grant funds with GF/GP funds, to provide needed state match for federal funds.

A new line item, School Health and Education Programs, is established in this appropriation unit as a complete transfer, \$500,000 Gross (all GF/GP), of the School Health and Education Programs line item from the Chronic Disease and Injury Prevention and Health Promotion appropriation unit to reflect the Department's reorganization. The line item is increased by \$500,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for school health education and the Michigan

Model curriculum, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Southwest Community Partnership line item is eliminated with the reduction of \$996,700 Gross (\$0 GF/GP) of federal funds due to the completion of the 5-year grant for Comprehensive CMH Services for Children with Serious Emotional Disturbances – Southwest Community Partnership.

The Special Projects line item has a net increase of \$465,000 Gross (\$0 GF/GP) in federal grant funding adjustments: an increase of \$400,000 for Fetal Alcohol Syndrome Prevention under the CDC Investigations and Technical Assistance grant; an increase of \$115,000 from the Birth Defects Surveillance grant; and a reduction of \$50,000 due to the completion of the federal grant for Newborn Screening Infrastructure. The line item is reduced by \$265,000 Gross (\$0 GF/GP) with the following transfers out of the line item to reflect the Department's reorganization: \$190,000 of federal funds for the Birth Defects Surveillance program to the Epidemiology Administration line item; and \$75,000 of federal funds for the Health Systems Development in Child Care program to the Federal and Other Special Projects line item in the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit. The line item is reduced by \$261,100 (\$0 GF/GP) of private funds to recognize completion of a grant from the Robert Wood Johnson Foundation. The line item is increased by \$1,000,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for infant mortality reduction projects, as part of the Target Agreement to appropriate \$15.0 million of Healthy Michigan Funds for prevention projects.

The Sudden Infant Death Syndrome Program line item is adjusted by a net \$0 Gross (reduction of \$100,000 GF/GP) replacement of GF/GP funds with federal Maternal and Child Health Block Grant funds to move GF/GP to line items where state match is needed for federal funds.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Community Living, Children, and Families Administration line item by \$67,200 Gross (all GF/GP) for FY 2003-04. The savings are obtained from elimination of \$40,000 of GF/GP funding for contracts, \$24,500 for contractual services, supplies and materials, and \$2,700 for travel.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Migrant Health Care line item appropriation by \$72,200 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal Medicaid revenue to the migrant health program for immunization services to eligible children.

Public Act 309 increases the Pediatric AIDS Prevention and Control line item appropriation by \$340,100 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal grant revenue and available carryforward funds for expenditure for the pediatric AIDS program.

Public Act 309 increases the Special Projects line item appropriation by \$499,400 Gross (\$0 GF/GP) for FY 2003-04. Funds of \$400,000 are received from a new federal grant award for fetal alcohol syndrome prevention, and \$99,400 is received from a new federal grant for a "Real Choice Systems for Community Living" project.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES								
Full-time equated classified positions	72.0	45.4	45.4	45.4	45.4	45.4	0.0	45.4
Adolescent health care services	0	0	0	0	0	0	0	0
Childhood lead program--* FTE positions	1,470,700	1,492,600	1,492,600	1,492,600	1,492,700	2,492,600	0	2,492,600
* positions in above line	5.0	5.8	5.8	5.8	5.8	5.8	0.0	5.8
Children's waiver home care program	19,549,800	0	0	0	0	0	0	0
Community living, children, and families administration-	7,006,900	4,581,200	4,581,200	4,581,200	0	0	0	0
* positions in above line	60.0	39.6	39.6	39.6	0.0	0.0	0.0	0.0
Dental programs	485,400	485,400	485,400	485,400	485,500	485,400	0	485,400
Dental program for persons with developmental disabili	151,000	151,000	151,000	151,000	151,100	151,000	0	151,000
Early childhood collaborative secondary prevention	524,000	524,000	524,000	524,000	524,100	524,000	0	524,000
Family, maternal, and children's health services admini	0	0	0	0	4,581,300	4,581,200	0	4,581,200
* positions in above line	0.0	0.0	0.0	0.0	39.6	39.6	0.0	39.6
Family planning local agreements	11,318,100	12,270,300	12,270,300	12,270,300	12,270,400	12,270,300	0	12,270,300
Family support subsidy	15,593,500	0	0	0	0	0	0	0
Housing and support services	5,579,300	0	0	0	0	0	0	0
Local MCH services	13,050,200	7,264,200	7,264,200	7,264,200	7,264,300	7,264,200	0	7,264,200
Maternal and children's health	0	8,660,700	8,660,700	0	100	0	0	0
Migrant health care	200,000	272,200	272,200	272,200	272,300	612,200	0	612,200
Newborn screening follow-up and treatment services	2,428,000	0	0	0	0	0	0	0
Omnibus budget reconciliation act implementation--* F	12,770,500	0	0	0	0	0	0	0
* positions in above line	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pediatric AIDS prevention and control	1,026,300	1,176,800	1,176,800	1,176,800	1,176,900	1,176,800	0	1,176,800
Pregnancy prevention program	5,846,100	5,846,100	5,846,100	5,846,100	5,846,200	5,846,100	0	5,846,100
Prenatal care outreach and service delivery support	3,049,300	3,049,300	3,049,300	3,049,300	3,049,400	3,049,300	0	3,049,300
School health and education programs	0	500,000	500,000	500,000	500,100	1,000,000	0	1,000,000
Southwest community partnership	996,700	0	0	0	100	0	0	0
Special projects	5,274,500	5,213,400	5,213,400	5,213,400	5,213,500	6,213,400	0	6,213,400
Sudden infant death syndrome program	321,300	321,300	321,300	321,300	321,400	321,300	0	321,300
GROSS APPROPRIATION	106,641,600	51,808,500	51,808,500	43,147,800	43,149,400	45,987,800	0	45,987,800
Appropriated from:								
Federal revenues:								
Total federal revenues	76,378,000	31,525,500	31,525,500	31,525,500	31,572,400	31,572,400	0	31,572,400
Special revenue funds:								
Total private revenues	261,100	0	0	0	0	0	0	0
Total other state restricted revenues	10,540,000	14,724,700	14,724,700	6,064,000	6,064,000	8,904,000	0	8,904,000
State general fund/general purpose	19,462,500	5,558,300	5,558,300	5,558,300	5,513,000	5,511,400	0	5,511,400

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

The Women, Infants, and Children Program Administration and Special Projects line item receives employee-related economic increases of \$156,900 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$15,400 Gross (\$0 GF/GP) for defined contribution retirement costs, \$154,600 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$43,700 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$118,000 Gross (\$0 GF/GP). The line item is reduced by \$150,000 Gross (\$0 GF/GP) in federal funding authorization for the Senior Farmers' Market Nutrition Program for low-income seniors, discontinued due to lack of state match funds for administrative support.

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

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS								
Full-time equated classified positions	41.0	41.0	41.0	41.0	41.0	41.0	0.0	41.0
Women, infants, and children program administration a	5,600,100	5,702,700	5,702,700	5,702,700	5,702,800	5,702,700	0	5,702,700
* positions in above line	41.0	41.0	41.0	41.0	41.0	41.0	0.0	41.0
Women, infants, and children program local agreement:	181,392,100	181,392,100	181,392,100	181,392,100	181,392,200	181,392,100	0	181,392,100
GROSS APPROPRIATION	186,992,200	187,094,800	187,094,800	187,094,800	187,095,000	187,094,800	0	187,094,800
Appropriated from:								
Federal revenues:								
Total federal revenues	136,644,900	136,747,500	136,747,500	136,747,500	136,747,500	136,747,500	0	136,747,500
Special revenue funds:								
Total private revenues	50,347,300	50,347,300	50,347,300	50,347,300	50,347,300	50,347,300	0	50,347,300
State general fund/general purpose	0	0	0	0	200	0	0	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES

The Children's Special Health Care Services Administration line is reorganized with staff transfers of 6.0 Claims Processing and Actuarial staff FTEs and \$367,500 to the Medical Services Administration line, and 1.0 Medical Benefits Reviewer Accounting staff FTE and \$50,900 to the Departmental Administration and Management line. There is an 11.9 FTE reduction to adjust to current actual number of FTEs supported by this appropriation. Employee-related increases of \$137,300 Gross (\$64,000 GF/GP) for a net salary and wage adjustment, \$195,200 Gross (\$91,200 GF/GP) for defined benefit retirement costs, \$4,800 Gross (\$2,200 GF/GP) for defined contribution retirement costs, and \$40,900 Gross (\$19,100 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$103,300 Gross (\$51,200 GF/GP).

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

The Bequests for Care and Services line is reduced by \$75,000 federal Maternal and Child Health Block Grant funds which the Department had allocated to support a vision clinic contract.

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

There are no appropriation changes to the Conveyor Contract line item.

Federal funds in the Medical Care and Treatment line item are increased by \$825,200 while GF/GP revenues are decreased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 55.89% to 56.71%. An additional \$2,694,800 GF/GP is appropriated, replacing a like amount of federal authorization, to recognize the loss of the temporary FMAP increase to 58.84% in FY 2004 resulting from the federal fiscal relief funding in the Jobs and Growth Tax Relief Reconciliation Act. The line is increased by \$22,870,600 Gross (\$10,643,900 GF/GP) for anticipated inflation, caseload, and utilization growth as proposed by the Executive. It was later increased to \$48,226,900 Gross (\$23,322,100 GF/GP) by the Conference Committee to reflect the staff consensus recommendation. Funding in the amount of \$7,131,100 Gross (\$3,087,100 GF/GP) was removed due to elimination of the managed care option for participants in the Children's Special Health Care Services Program. All participants would utilize the fee-for-service system of care. A reduction of \$386,700 Gross (\$328,500 GF/GP) due to savings achieved from a change in the contractor for incontinence supplies. Restoration of funding from lost supplemental rebates resulted in an increase of \$2,600,000 GF/GP.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduced the FY 2003-04 Children's Special Health Care Services Administration line item by \$15,600 GF/GP as part of the administrative savings to be achieved by the Department.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 of 2004 appropriates \$33,197,700 Gross (\$18,481,200 GF/GP) the balance to federal and State restricted, for increases in expenditures related to the Medicaid caseload growth and changes in utilization and inflation.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES								
Full-time equated classified positions	66.6	47.7	47.7	47.7	47.7	47.7	0.0	47.7
Children's special health care services administration--*	4,463,200	4,319,700	4,319,700	4,319,700	4,319,800	4,319,700	0	4,319,700
* positions in above line	66.6	47.7	47.7	47.7	47.7	47.7	0.0	47.7
Amputee program	184,600	184,600	184,600	184,600	184,700	184,600	0	184,600
Bequests for care and services	1,829,600	1,754,600	1,754,600	1,754,600	1,754,700	1,754,600	0	1,754,600
Case management services	3,773,500	3,773,500	3,773,500	3,773,500	3,773,600	3,773,500	0	3,773,500
Conveyor contract	513,500	0	0	513,500	513,600	513,500	0	513,500
Medical care and treatment	129,465,100	147,346,700	172,703,000	146,833,200	147,418,000	172,774,200	0	172,774,200
GROSS APPROPRIATION	140,229,500	157,379,100	182,735,400	157,379,100	157,964,400	183,320,100	0	183,320,100
Appropriated from:								
Federal revenues:								
Total federal revenues	69,387,200	75,342,700	88,020,800	75,342,700	75,606,600	88,284,700	0	88,284,700
Special revenue funds:								
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Total other state restricted revenues	650,000	650,000	650,000	650,000	650,000	650,000	0	650,000
State general fund/general purpose	69,192,300	80,386,400	93,064,600	80,386,400	80,707,800	93,385,400	0	93,385,400

**OFFICE OF DRUG CONTROL
POLICY**

OFFICE OF DRUG CONTROL POLICY

The Drug Control Policy line item receives employee-related economic increases of \$73,400 Gross (\$13,200 GF/GP) for a net 4% salary and wage adjustment, \$8,400 Gross (\$1,500 GF/GP) for defined contribution retirement costs, \$60,200 Gross (\$10,800 GF/GP) for defined benefit retirement costs, and \$19,100 Gross (\$3,400 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$55,200 Gross (\$10,600 GF/GP). A reduction of 1.0 FTE is made to adjust to the current actual number of FTEs supported by this appropriation.

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

There are no changes to the Interdepartmental Grant to Judiciary for Drug Treatment Courts line item.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Drug Control Policy line item for FY 2003-04 by \$38,500 Gross (all GF/GP). The savings are obtained from contractual services, supplies and materials reductions.

	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05				
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 116. OFFICE OF DRUG CONTROL POLICY								
Full-time equated classified positions	17.0	16.0	16.0	16.0	16.0	16.0	0.0	16.0
Drug control policy--* FTE positions	1,934,900	2,040,800	2,040,800	2,040,800	2,040,900	2,040,800	0	2,040,800
* positions in above line	17.0	16.0	16.0	16.0	16.0	16.0	0.0	16.0
Anti-drug abuse grants	26,859,200	26,859,200	26,859,200	26,859,200	26,859,300	26,859,200	0	26,859,200
Interdepartmental grant to judiciary for drug treatment c	1,800,000	1,800,000	1,800,000	1,800,000	1,800,100	1,800,000	0	1,800,000
GROSS APPROPRIATION	30,594,100	30,700,000	30,700,000	30,700,000	30,700,300	30,700,000	0	30,700,000
Appropriated from:								
Federal revenues:								
Total federal revenues	30,246,600	30,334,200	30,334,200	30,334,200	30,334,200	30,334,200	0	30,334,200
Special revenue funds:								
State general fund/general purpose	347,500	365,800	365,800	365,800	366,100	365,800	0	365,800

**CRIME VICTIM
SERVICES COMMISSION**

CRIME VICTIM SERVICES COMMISSION

The Grants Administration Services line item receives employee-related economic increases of \$32,100 Gross (\$0 GF/GP) for a net 4% salary and wage adjustment, \$200 Gross (\$0 GF/GP) for defined contribution retirement costs, \$39,200 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$9,400 Gross (\$0 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$24,100 Gross (\$0 GF/GP).

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

The Crime Victim Rights Services Grants line item is increased by \$420,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies to support an increase in demand for victim assistance services at the county level. The line item is increased by \$300,000 Gross (\$0 GF/GP) of Crime Victim's Rights Fund monies for victim compensation claim awards.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Grants Administration Services line item by \$414,500 Gross (all GF/GP) for FY 2003-04. The savings are obtained from elimination of all GF/GP funding supporting the line item, with intention to replace the funds with available state restricted revenues from the Crime Victim's Rights Fund.

PUBLIC ACT 237 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 237 increases the Grants Administration Services line item by \$414,500 Gross (\$0 GF/GP) for FY 2003-04. The increase is funded with available state restricted Crime Victim's Rights Fund monies, and replaces \$414,500 of GF/GP funds that were eliminated from the line item by Executive Order 2003-23.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 117. CRIME VICTIM SERVICES COMMISSION								
Full-time equated classified positions	9.0	9.0	9.0	9.0	9.0	9.0	0.0	9.0
Grants administration services--* FTE positions	1,080,500	1,137,200	1,137,200	1,137,200	1,137,400	1,137,300	0	1,137,300
* positions in above line	9.0	9.0	9.0	9.0	9.0	9.0	0.0	9.0
Justice assistance grants	13,000,000	13,000,000	13,000,000	13,000,000	13,000,100	13,000,000	0	13,000,000
Crime victim rights services grants	8,265,300	8,985,300	8,985,300	8,985,300	8,985,400	8,985,300	0	8,985,300
GROSS APPROPRIATION	22,345,800	23,122,500	23,122,500	23,122,500	23,122,900	23,122,600	0	23,122,600
Appropriated from:								
Federal revenues:								
Total federal revenues	13,946,900	13,954,600	13,954,600	13,954,600	13,954,700	13,954,700	0	13,954,700
Special revenue funds:								
Total other state restricted revenues	8,398,900	9,130,000	9,130,000	9,130,000	9,167,900	9,167,900	0	9,167,900
State general fund/general purpose	0	37,900	37,900	37,900	300	0	0	0

**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.

The Office of Services to Aging Administration line item receives employee-related economic increases of \$145,600 Gross (\$52,400 GF/GP) for a net 4% salary and wage adjustment, \$9,200 Gross (a reduction of \$3,400 GF/GP) for defined contribution retirement costs, \$140,900 Gross (\$49,900 GF/GP) for defined benefit retirement costs, and \$42,400 Gross (\$15,600 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$109,500 Gross (\$41,900 GF/GP). The line item is increased by \$570,800 Gross (\$11,500 GF/GP) as a transfer of funds from the Community Services line item, and 4.0 FTEs are established, to recognize a change from contractual to in-house administration of the State Long Term Care Ombudsman Program. The line item is increased by \$20,000 Gross (\$0 GF/GP) to recognize a private grant from the Brookdale Foundation Group for the Relatives As Parents Program State Initiative administered in collaboration with the Kinship Care Resource Center at Michigan State University.

The Community Services line item is increased by a net \$688,900 Gross (\$0 GF/GP) in federal funding authorization to reflect adjustments in annual federal funding grants for services to seniors: increases of \$36,600 for supportive services, \$400,000 for targeted care management, \$533,900 for national family caregiver support, \$10,000 for elder abuse prevention services, and \$200,000 for Medicare/Medicaid Assistance (MMAP) programs, and reductions of \$364,500 for disease prevention, and \$127,100 for long term care ombudsman. The line item is reduced by \$570,800 Gross (\$11,500 GF/GP) with a transfer of the State Long Term Care Ombudsman Program to the Office of Services to Aging Administration line item to recognize a change from contractual to in-house administration of the program.

The Nutrition Services line item has a net federal funding reduction of \$900,700 Gross (\$0 GF/GP) in anticipation of a grant reduction of \$2,344,800 for congregate meals and a grant increase of \$1,444,100 for home-delivered meals.

There are no changes to the Senior Volunteer Services line item.

There are no changes to the Senior Citizen Centers Staffing and Equipment line item.

There are no changes to the Employment Assistance line item.

The Respite Care Program line item appropriation is increased by \$500,000 Gross (\$0 GF/GP) to recognize state restricted carryforward funds from the Senior Respite Care Fund that are available for expenditure.

FY 2003-04 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the Office of Services to Aging Administration line item by \$34,800 Gross (all GF/GP) for FY 2003-04. The savings are obtained by elimination of \$22,700 of GF/GP funding for personnel, \$10,900 for contractual services, supplies and materials, and \$1,200 for travel.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 increases the Office of Services to the Aging Administration line item appropriation by \$20,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize a private grant from the Brookdale Foundation Group for the Relatives As Parents Program State Initiative administered in collaboration with the Kinship Care Resource Center at Michigan State University.

Public Act 309 increases the Community Services line item appropriation by \$200,000 Gross (\$0 GF/GP) for FY 2003-04 to recognize additional federal Medicaid revenue for targeted care management of home services for Medicaid-eligible senior clients at risk of nursing home placement.

Public Act 309 increases the Respite Care Program line item appropriation by \$450,000 Gross (\$0 GF/GP) for FY 2003-04 to allow expenditure of available state restricted carryforward funds from the Senior Respite Care Fund for senior respite care.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 118. OFFICE OF SERVICES TO THE AGING								
Full-time equated classified positions	32.5	36.5	36.5	36.5	36.5	36.5	0.0	36.5
Commission (per diem \$50.00)	10,500	10,500	10,500	10,500	10,600	10,500	0	10,500
Office of services to aging administration--* FTE positio	4,133,000	4,952,400	4,952,400	4,952,400	4,952,500	4,952,400	0	4,952,400
* positions in above line	32.5	36.5	36.5	36.5	36.5	36.5	0.0	36.5
Community services	35,286,100	34,904,200	34,904,200	34,904,200	35,404,300	35,404,200	0	35,404,200
Nutrition services	38,191,200	37,290,500	37,290,500	37,290,500	37,290,600	37,290,500	0	37,290,500
Senior volunteer services	5,645,900	5,645,900	5,645,900	5,645,900	5,646,000	5,645,900	0	5,645,900
Senior citizen centers staffing and equipment	1,068,700	1,068,700	1,068,700	1,068,700	1,068,800	1,068,700	0	1,068,700
Employment assistance	2,818,300	2,818,300	2,818,300	2,818,300	2,818,400	2,818,300	0	2,818,300
Respite care program	7,100,000	7,600,000	7,600,000	7,600,000	7,600,100	7,600,000	0	7,600,000
GROSS APPROPRIATION	94,253,700	94,290,500	94,290,500	94,290,500	94,791,300	94,790,500	0	94,790,500
Appropriated from:								
Federal revenues:								
Total federal revenues	52,094,300	51,538,500	51,538,500	51,538,500	52,038,500	52,038,500	0	52,038,500
Special revenue funds:								
Total private revenues	0	20,000	20,000	20,000	20,000	20,000	0	20,000
Tobacco settlement trust fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	0	5,000,000
Total other state restricted revenues	2,267,000	2,767,000	2,767,000	2,767,000	2,767,000	2,767,000	0	2,767,000
State general fund/general purpose	34,892,400	34,965,000	34,965,000	34,965,000	34,965,800	34,965,000	0	34,965,000

MEDICAL SERVICES

MEDICAL SERVICES ADMINISTRATION

The Medical Services Administration line item is reduced by \$300,000 Gross (all GF/GP) associated with budgetary savings measures implemented in FY 2003-04 which eliminated a University of Michigan pediatric managed care contract. Removal of 3.0 FTEs associated with the reduction in administrative funding to this line item by E.O. 2003-23 in December 2003. A net increase of 47.9 FTEs and a net funding increase of \$3,135,800 (\$2,051,000 GF/GP) reflecting transfers in from the Departmental Administration and Management line, the Children's Special Health Care Services Administration line, and transfers out from this line item to the Departmental Administration and Management and to Mental Health/ Substance Abuse Program Administration lines. This line is reduced by 55.9 FTEs to adjust to the current actual number of FTEs supported by this funding. The Medical Services Administration line is increased by \$3.0 million federal funding to be directed to Michigan State University and the University of Michigan under contract. The universities will provide the required matching funds. Employee-related increases of \$1,297,500 Gross (\$591,800 GF/GP) for a net salary and wage adjustment, \$1,507,600 Gross (\$686,700 GF/GP) for defined benefit retirement costs, \$96,800 Gross (\$43,900 GF/GP) for defined contribution retirement costs, and \$374,000 Gross (\$170,600 GF/GP) for increased insurance costs. Economic increases are partially offset by unspecified employee-related reductions of \$975,900 Gross (\$473,300 GF/GP). The line item includes a \$1.0 million Gross (\$500,000 GF/GP) increase to provide funds for the Department to contract with an outside firm to identify Medicaid overpayments to medical providers, with an estimated GF/GP savings expected at \$4.0 million. The line is reduced by \$557,800 Gross (all GF/GP) to reflect administrative savings as projected in the Revised Executive Recommendation letter of 5/27/2004.

There are no appropriation changes to the Facility Inspection Contract – State Police and MICHild Administration lines.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduced the FY 2003-04 Medical Services Administration line item by \$499,800 Gross (all GF/GP) as part of the administrative savings to be achieved by the Department.

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 of 2004 appropriates \$3.0 million Gross (\$0 GF/GP) federal Medicaid authorization for administrative contracts with Michigan State University and the University of Michigan for various health care initiatives. The universities provide the 50% match required.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 119. MEDICAL SERVICES ADMINISTRATION								
Full-time equated classified positions	333.7	322.7	322.7	322.7	322.7	339.7	0.0	339.7
Medical services administration--* FTE positions	38,820,100	46,955,900	46,398,100	47,955,900	47,956,000	47,398,100	0	47,398,100
* positions in above line	333.7	322.7	322.7	322.7	322.7	339.7	0.0	339.7
Facility inspection contract - state police	132,800	132,800	132,800	132,800	132,900	132,800	0	132,800
MIChild administration	4,327,800	4,327,800	4,327,800	4,327,800	4,327,900	4,327,800	0	4,327,800
GROSS APPROPRIATION	43,280,700	51,416,500	50,858,700	52,416,500	52,416,800	51,858,700	0	51,858,700
Appropriated from:								
Federal revenues:								
Total federal revenues	29,512,300	34,877,400	34,877,400	34,877,400	34,877,400	35,377,400	0	35,377,400
Special revenue funds:								
State general fund/general purpose	13,768,400	16,539,100	15,981,300	17,539,100	17,539,400	16,481,300	0	16,481,300

MEDICAL SERVICES

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 initial Medicaid base adjustments originally proposed in the Executive Budget and the consensus staff estimates that were adopted in the enacted budget are summarized below:

Medical Services Line Item	Initial Medicaid Base Adjustment	Staff Consensus Base Adjustment
Hospital Services and Therapy	\$12,515,600	\$66,022,600
Physician Services	\$7,916,600	\$16,207,000
Medicare Premium Payments	\$45,926,100	\$61,041,900
Pharmaceutical Services	\$81,578,600	\$179,637,100
Home Health Services	\$5,486,900	\$6,456,800
Auxiliary Medical Services	\$1,659,900	\$14,087,500
Long Term Care Services	\$36,706,800	\$49,489,700
Health Plan Services	\$6,950,400	\$6,950,400
Total	\$198,740,900	\$399,893,000

The Hospital Services and Therapy line is increased by \$66,022,600 Gross (\$28,581,200 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The line item is increased by \$3,104,000 Gross (\$0 GF/GP) million for the Psychiatric Residency Graduate Medical Education (GME) program. The line item is increased by \$5,234,300 Gross (\$0 GF/GP) due to the transfer-in of the Maternal Outpatient Medical Services (MOMS) program from the Community Living, Children, and Families unit - Local MCH Services line item, funded with state restricted Healthy Michigan Funds and federal State Children's Health Insurance Program (SCHIP) funds. The removal of \$50.0 million of federal, local and restricted authorization from this line adjusts for the one-time fiscal relief for the Detroit Medical Center in FY 2003-04. The line item is increased by \$33.2 million federal and restricted authorization for disproportionate share payments to hospitals if local matching funds are provided. A \$100 GF/GP placeholder is included anticipating funding for a First Alert

Response program to fund level 1 trauma centers and other hospitals meeting certain criteria. The line item is increased \$180,900,000 Gross to support the Hospital Quality Assurance Assessment upper payment limit.

The Hospital Disproportionate Share Payments line is increased by \$5.0 million Gross (\$2,164,500 GF/GP) to be distributed to eligible hospitals using a funding formula described in boilerplate Sec. 1717.

The Physician Services line is increased by \$16,207,000 Gross (\$7,016,000 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The line item is decreased by \$3,465,000 Gross (\$1,500,000 GF/GP) reflecting a 10% Medicaid payment rate reduction to physicians for hospital emergency room visits (from 80% to 70% of Medicare reimbursement rates).

In the Medicare Premium Payments line item, Medicaid inflation, caseload and utilization adjustments totaling \$61,041,900 Gross (\$26,425,000 GF/GP) were adopted.

For Pharmaceutical Services, Medicaid inflation, caseload and utilization adjustments totaling \$179,637,100 Gross (\$77,764,900 GF/GP) were adopted. The line item is reduced by \$200,000 Gross (all GF/GP) associated with budgetary savings measures implemented in FY 2003-04 (supplemental appropriations SB 267). Recognizing FY 2004-05 savings to be achieved with a change in the contractor for incontinence supplies, the line is reduced \$5,042,200 Gross (\$2,069,500 GF/GP). \$18.9 million restricted revenue is replaced with the same amount of GF/GP due to an unrealized pharmacy quality assurance and assessment program (QAAP). The line item is reduced by \$16,722,000 Gross (\$7,239,000 GF/GP) due to the reduction of the pharmacy dispensing fee from \$3.77 to \$2.50 (\$2.75 for nursing home pharmacies). The line item is reduced by \$4,620,000 Gross (\$2,000,000 GF/GP) due to projected savings by implementing an optional mail order pharmacy program for maintenance drugs for Medicaid fee-for-service patients. Projected savings would be generated by discounts on drug costs and multi-month orders at a single dispensing fee. Coordination of benefits changes designed to maximize payments from other insurance carriers for pharmacy coverage result in a reduction of \$2,000,000 Gross (\$865,800 GF/GP). The replacement of \$4.5 million GF/GP in this line item with tobacco settlement revenue occurred due to estimated EPIC program savings from the new federal Medicare pharmaceutical benefit card. The line item is reduced \$14,572,200 Gross (\$6,308,300 GF/GP) due to projected pharmaceutical cost savings by increasing co-payments on brand name prescriptions to \$3.00 and establishing co-pays on mail order drugs. \$4.6 million GF/GP is replaced with a like amount of restricted revenue (court settlement agreement revenue) due to settlements with the pharmaceutical manufacturers Warner-Lambert (\$2.0 million) and Claritin (\$2.6 million).

The Home Health Services line item Medicaid inflation, caseload and utilization adjustments totaling \$6,456,800 Gross (\$2,795,200 GF/GP) were adopted.

For the Transportation line item, no changes were adopted.

In the Auxiliary Medical Services line item, Medicaid inflation, caseload and utilization adjustments totaling \$14,087,500 Gross (\$6,098,500 GF/GP) were adopted. An increase of this line item of \$3,820,000 Gross (\$2,000,000 GF/GP) reflects reinstatement of Medicaid coverage for podiatric, chiropractic, and hearing aid services that were eliminated in the FY 2003-04 budget, and \$1,200,000 GF/GP is included for increased payments to local public health dental clinics .

There are no appropriation changes to the Ambulance Services line item.

The Long Term Care Services line Medicaid inflation, caseload and utilization adjustments totaling \$49,489,700 Gross (\$21,424,100 GF/GP) were adopted. This line item is reduced by \$1,500,000 Gross (\$0 GF/GP) due to the completion of a certain federal grant that had been received by the Department of Community Health. \$12,000,000 Gross (\$5,194,800 GF/GP) is removed reflecting annualized savings achieved from home help policy changes implemented in FY2003-04. Changes require annual certification of eligibility for adult home help and a change in coverage limitation for services related to instrumental activities of daily living (IADLs). The line item is reduced \$12,705,000 Gross (\$5,500,000 GF/GP) due to estimated savings from elimination of Medicaid reimbursements to nursing homes for beds of Medicaid patients who are temporarily hospitalized. \$1.7 million of state restricted Healthy Michigan Funds (HMF) supporting this line is replaced with the same amount of GF/GP to reconcile the total HMF appropriation in the DCH budget with projected available revenue to the fund in FY 2004-05. An increase of \$3.0 million of State restricted revenue with a like amount reduction of GF/GP due to gainsharing from the nursing home QAAP.

VETO – The Governor vetoed Section 1687 boilerplate language authorizing the Department to contract with a stand alone psychiatric facility to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care resulting in a reduction to the Long-Term Care Services line item by \$360,000 Gross (\$155,800 GF/GP).

The Elder Prescription Insurance Coverage (EPIC) line item is reduced by \$38,011,800 federal due to authorization which was included in FY 2002-03 in anticipation of a proposed Pharmacy Plus Waiver Initiative that was not implemented. The line item is reduced by \$4.5 million Tobacco Settlement as a result of the new Medicare-Approved Drug Discount Card,

which began on June 1, 2004. Recognizes savings of \$6.0 million Tobacco Settlement from a freeze in new enrollment in the EPIC program and utilize tobacco settlement revenue to replace GF/GP within the Medical Services unit.

The Health Plan Services line Medicaid inflation, caseload and utilization adjustments totaling \$6,950,400 Gross (\$3,008,800 GF/GP) were adopted. A reduction of \$2,690,000 Gross (\$1,164,500 GF/GP) resulting from an annualization of the \$2.3 million E.O. 2003-23 reduction made in FY 2003-04, to be achieved through continuous quality improvements to Medicaid enrollee information systems. The line item is increased \$47,250,000 Gross (\$20,454,500 GF/GP) due to the transfer in of the caretaker relative coverages from the Medicaid Adult Benefits Waiver line item. A \$124,047,100 Gross (\$53,700,000 GF/GP) increase to the line is adopted based on a 7.5% increase to Medicaid payment rates for health plans to satisfy federal requirements for actuarial soundness of payment rates. Proposes implementation of the actuary's recommended 15% increase over 2 years, if federally approved. Inflationary increases are incorporated into this amount. A replacement of \$15.2 million GF/GP with a like amount of State restricted Health Plan Quality Assurance Assessment Program (QAAP) revenue reflects the State's retention of a portion of HMO QAAP fees. The line item is reduced \$15.0 million Gross (\$6,493,500 GF/GP) based on estimated savings from increased contractual efforts to establish third-party insurance responsibility of non-custodial parents for children currently covered by Medicaid. A gross increase of \$13,860,000 (\$6.0 million GF/GP) is based on increased enrollment in HMOs resulting from statewide coverage through the new managed care contract process.

The MIChild Program line item includes a replacement of \$135,200 GF/GP with the same amount of federal State Children's Health Insurance Program (SCHIP) revenue to reflect an increase in the federal SCHIP matching (FMAP) rate for Michigan from 69.12% to 69.70%.

The Medicaid Adult Benefits Waiver program line item includes a replacement of \$693,600 GF/GP with the same amount of federal State Children's Health Insurance Program (SCHIP) revenue to reflect an increase in the federal SCHIP matching (FMAP) rate for Michigan from 69.12% to 69.70%. A line item reduction of \$3,512,700 Gross (all Private) removes revenue from this program pursuant to federal policy that pharmaceutical rebates cannot support the Medicaid Adult Benefits Waiver Program. Includes a revision to the Indigent Care Agreement, increasing the Disproportionate Share authorization \$5,436,500 Gross (\$0 GF/GP) to expand the program. Due to the transfer of the caretaker relative coverages to the Health Plan Services line item, \$47,250,000 Gross (\$20,454,500 GF/GP) is removed from this line. The line item is increased by \$32,013,200 Gross (\$9.7 million GF/GP) to support enrollment of 77,000 persons, up from the 62,000 enrollees in FY 2003-04. A reduction of \$26,402,700 Gross (\$8.0 million GF/GP) recognizing savings from a freeze in new enrollment in the Adult benefits Waiver program.

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

There are no appropriation changes to the Social Services to the Physically Disabled line item.

The Medical Expenses Recoupment line item is reduced \$4,620,000 Gross (\$2.0 million GF/GP) due to savings from efforts to recover the full costs of medical assistance expenses paid under the Medicaid program for an individual, if that person files a legal action in which the State may have the right to recover its expenses. A \$14,553,000 Gross (\$6.3 million GF/GP) savings from Medicaid overpayments to medical providers results in a reduction to the line item. A line item reduction of \$3,940,000 Gross (\$1,705,600 GF/GP) assumes a \$1.2 million Medicare recovery program savings.

The School-Based Services line item is reduced by \$5,550,400 Gross (\$7,099,700 GF/GP) to reflect current projected school reimbursements for Medicaid services to students.

A series of adjustments decreases the Special Adjustor Payments line item by \$278,686,400 Gross (increase of \$145,149,600 GF/GP) to reflect reductions in Medicaid special financing payments due to recent federal restrictions that phase out most of these payments over 5 years. The reductions increase the state funds required for the Medicaid program. A reduction of \$34.0 million Gross (increase of \$14,530,800 GF/GP) due to the elimination of federal disapproved special financing adjustor payments to practitioner groups affiliated with public hospitals that was proposed in FY 2003-04. This line item is increased \$43,800,000 Gross (reduction of \$15,756,300 GF/GP) recognizing additional special adjustor savings.

Within the Medical Services unit federal funding is increased by \$52,917,100 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 55.89% to 56.71%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. An additional \$133,457,700 GF/GP is appropriated, with a reduction in a like amount of Federal funds, to recognize the FY 2003-04 temporary FMAP increase to 58.84% resulting from the federal fiscal relief funding in the Jobs and Growth Tax Relief Reconciliation Act.

Also within the Medical Services unit, \$465,400,000 GF/GP is replaced with the same amount of new Medicaid Benefits Trust Fund revenue available from the cigarette tax increase. Replaces \$78,800,000 GF/GP funding with the same amount of Tobacco Settlement revenue. \$110,675,000 of Tobacco Settlement revenue is replaced with the same amount appropriated from the Merit Award Trust Fund. The unit is reduced by \$8.9 million of Healthy Michigan Funds replaced with the same amount of GF/GP.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-23

Executive Order 2003-23 reduces the FY 2003-04 Health Plan Services line item by \$1,000,000 Gross (all GF/GP). This results in the loss of an additional \$1,310,000 in federal Medicaid matching funds.

PUBLIC ACT 237 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 39 of 2003 provided \$238,677,700 Gross (\$100,000,000 GF/GP) for increases in expenditures related to the Medicaid caseload growth and changes in utilization and inflation. The following table details by line item the gross and GF/GP amounts.

<u>Medical Services Line Item</u>	<u>GROSS</u>	<u>GF/GP</u>
Hospital Services and Therapy	\$55,000,000	\$23,043,600
Pharmaceutical Services	\$78,377,700	\$32,838,300
Home Health Services	\$4,300,000	\$1,801,600
Ambulance Services	\$6,000,000	\$2,513,900
Long-Term Care Services	\$40,000,000	\$16,759,000
Health Plan Services	\$55,000,000	\$23,043,600
Total	\$238,677,700	\$100,000,000

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Public Act 309 of 2004 appropriates \$188,202,200 Gross (\$78,806,000 GF/GP) to cover increased costs in various Medical Services line items attributable to Medicaid caseload and utilization growth. The following table details these adjustments on various line items.

<u>Medical Services Line Item</u>	<u>GROSS</u>	<u>GF/GP</u>
Hospital Services and Therapy	\$36,063,200	\$15,109,600
Medicare Premium Payments	\$9,797,200	\$4,104,800
Pharmaceutical Services	\$57,396,700	\$24,047,800
Home Health Services	\$465,100	\$194,900
Transportation	(\$568,400)	(\$284,200)
Auxiliary Medical Services	\$13,853,100	\$5,804,100
Ambulance Services	(\$483,900)	(\$202,700)
Long-Term Care Services	\$19,478,700	\$8,161,100
Health Plan Services	\$52,200,500	\$21,870,700
Total	\$188,202,200	\$78,806,000

In addition to the supplemental actions in the table above, the Hospital Services and Therapy line item is increased \$3.0 million Gross (\$1,544,700 GF/GP) for the Wayne State University and Michigan State University psychiatric residency program graduate medical education. The line item is also increased \$7,398,600 Gross (\$0 GF/GP), of which \$4,298,600 in federal Medicaid revenues are used to match \$3.1 million of State restricted revenues from the Bascome v F.Hoffman – LaRoche antitrust recovery. A Gross amount of \$82.0 million (\$0 GF/GP) is added to the line which allows the Quality Assurance Assessment Program to meet the 6% maximum allowable amount of \$259.5 million in FY 2003-04.

The Elder Prescription Insurance Coverage line item is increased \$610,000 Gross (\$0 GF/GP) reflecting Attorney General's Office antitrust enforcement and interest recoveries from Mylan Laboratories and CVS Pharmacies.

An increase of \$15,355,000 Gross (decrease of \$8,799,000 GF/GP) to the Special Adjustor Payments line item reflects actual special financing payments and the loss of the Pharmacy Quality Assurance Assessment program (QAAP) savings.

Within the appropriation lines of the Medical Services unit, \$113,818,800 GF/GP is offset with the same amount of revenue from the Medicaid Benefits Trust Fund.

	FY 2003-04	FY 2004-05						
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	VETOES	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	Sec. 1687	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	FY 2004-05	30-Sep-04
Sec. 120. MEDICAL SERVICES								
Hospital services and therapy	947,626,500	868,480,400	1,052,887,400	918,480,400	851,680,600	1,186,087,500	0	1,186,087,500
Hospital disproportionate share payments	45,000,000	45,000,000	45,000,000	45,000,000	50,000,100	50,000,000	0	50,000,000
Physician services	227,166,200	228,152,800	236,443,200	228,152,800	235,082,900	239,908,200	0	239,908,200
Medicare premium payments	172,663,700	218,589,800	233,705,600	218,589,800	218,589,900	233,705,600	0	233,705,600
Pharmaceutical services	595,603,300	639,270,300	737,328,800	639,270,300	672,929,800	732,084,000	0	732,084,000
Home health services	40,701,400	46,188,300	47,158,200	46,188,300	46,188,400	47,158,200	0	47,158,200
Transportation	8,538,300	8,538,300	8,538,300	8,538,300	8,538,400	8,538,300	0	8,538,300
Auxiliary medical services	81,394,400	83,054,300	95,481,900	110,774,300	110,774,400	101,301,900	0	101,301,900
Ambulance services	11,000,000	11,000,000	11,000,000	11,000,000	11,000,100	11,000,000	0	11,000,000
Long-term care services	1,666,345,000	1,676,846,800	1,689,629,700	1,677,206,800	1,677,206,900	1,689,989,700	(360,000)	1,689,629,700
Elder prescription insurance coverage	68,011,800	25,500,000	25,500,000	25,500,000	25,500,100	19,500,000	0	19,500,000
Health plan services	1,602,051,500	1,862,609,000	1,848,749,000	1,762,609,000	1,743,609,100	1,748,749,000	0	1,748,749,000
MIChild program	36,875,600	36,875,600	36,875,600	36,875,600	36,875,700	36,875,600	0	36,875,600
Medicaid adult benefits waiver	178,707,600	165,394,600	165,394,600	165,394,600	165,394,700	138,991,900	0	138,991,900
Maternal and child health	9,234,500	9,234,500	9,234,500	9,234,500	9,234,600	9,234,500	0	9,234,500
Social services to the physically disabled	1,344,900	1,344,900	1,344,900	1,344,900	1,345,000	1,344,900	0	1,344,900
Medical expenses recoupment	0	(4,620,000)	(4,620,000)	(16,170,000)	(10,394,900)	(23,113,000)	0	(23,113,000)
Subtotal basic medical services program	5,692,264,700	5,921,459,600	6,239,651,700	5,887,989,600	5,853,555,800	6,231,356,300	(360,000)	6,230,996,300
School-based services	69,159,500	63,609,100	63,609,100	63,609,100	63,609,200	63,609,100	0	63,609,100
Special adjustor payments	791,338,100	478,651,700	478,651,700	478,651,700	529,551,800	522,451,700	0	522,451,700
Subtotal special medical services payments	860,497,600	542,260,800	542,260,800	542,260,800	593,161,000	586,060,800	0	586,060,800
GROSS APPROPRIATION	6,552,762,300	6,463,720,400	6,781,912,500	6,430,250,400	6,446,716,800	6,817,417,100	(360,000)	6,817,057,100
Appropriated from:								
Federal revenues:								
Total federal revenues	3,868,471,500	3,437,036,300	3,912,947,000	3,716,590,800	3,725,786,700	3,935,316,000	(204,200)	3,935,111,800
Special revenue funds:			0					
Total local revenues	673,912,000	679,348,500	298,512,100	295,429,100	295,429,100	362,852,100	0	362,852,100
Total private revenues	3,512,700	0	0	0	0	0	0	0
Merit award trust fund	0	0	0	0	0	110,675,000	0	110,675,000
Tobacco settlement trust fund	93,000,000	156,700,000	180,700,000	156,700,000	156,700,000	61,125,000	0	61,125,000
Total other state restricted revenues	576,773,700	1,091,191,000	1,251,430,100	665,015,900	1,153,567,200	1,180,624,400	0	1,180,624,400
State general fund/general purpose	1,337,092,400	1,099,444,600	1,138,323,300	1,596,514,600	1,115,233,800	1,166,824,600	(155,800)	1,166,668,800

**INFORMATION TECHNOLOGY
BUDGETARY SAVINGS**

INFORMATION TECHNOLOGY

Funds for Information Technology Services and Projects are reduced by \$82,000 Gross (all GF/GP) for the cost of desktop services. Funds for Information Technology Services and Projects are reduced by \$366,900 Gross (\$134,700 GF/GP) anticipating budgetary savings through consolidating services, software purchases, telecommunications, and other efficiencies. As part of a \$5.0 million base reduction for all state agencies, funds for Information Technology Services and Projects are reduced by \$1,066,400 Gross (all GF/GP). Savings will be accomplished due to the completion of the Health Insurance Portability and Accountability Act (HIPAA) project in FY 2003-04. As part of the Leadership Target Agreement, funds for Information Technology Services and Projects are reduced by \$538,900 Gross (all GF/GP). Funds totaling \$785,800 Gross (\$0 GF/GP) are transferred to Information Technology Services and Projects for the support of the Health Bureau which was part of the former Consumer and Industry Services.

Funds for Information Technology Services and Projects are increased by \$500,700 Gross (\$183,800 GF/GP) for a net 4.0% economic increase for employees' salaries and wages for FY 2004-05. Funds for Information Technology Services and Projects are increased by \$491,800 Gross (\$180,500 GF/GP) for employees' defined benefit retirement costs. Funds for Information Technology Services and Projects are increased by \$30,700 Gross (\$11,200 GF/GP) for employees' defined contribution retirement costs. Funds for Information Technology Services and Projects are increased by \$143,900 Gross (\$52,800 GF/GP) for employees' insurance costs. Recognizing an Executive Budget Revision letter dated May 27, 2004, funds for Information Technology Services and Projects are reduced by \$32,800 Gross (all GF/GP) to reflect new retirement actuarial experience study and change in methodology for year-end accrual of salary and fringe benefit costs.

FY 2003-04 SUPPLEMENTAL ACTIONS

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Federal Medicaid revenue supporting Information Technology Services and Projects is increased by \$8.3 million to complete the Health Insurance Portability and Accountability Act (HIPAA) project. The federal WIC revenue supporting Information Technology Services and Projects is also increased by \$500,000 for the electronic banking smart card project.

	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05		
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 121. INFORMATION TECHNOLOGY								
Information technology services and projects	30,616,000	31,053,600	31,020,800	31,053,600	31,053,700	30,481,900	0	30,481,900
GROSS APPROPRIATION	30,616,000	31,053,600	31,020,800	31,053,600	31,053,700	30,481,900	0	30,481,900
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of correcti	142,700	146,800	146,800	146,800	146,800	146,800	0	146,800
Federal revenues:								
Total federal revenues	17,304,200	17,816,000	17,816,000	17,816,000	17,816,000	17,816,000	0	17,816,000
Special revenue funds:								
Total other state restricted revenues	1,793,800	2,570,300	2,570,300	2,570,300	2,570,300	2,570,300	0	2,570,300
State general fund/general purpose	11,375,300	10,520,500	10,487,700	10,520,500	10,520,600	9,948,800	0	9,948,800

BUDGETARY SAVINGS

The budgetary savings amount of \$500,000 Gross (all GF/GP) is reversed. The budgetary savings amount has been satisfied through a \$200,000 reduction in the state's contract with an incontinent supplier and a \$300,000 reduction in a grant to the University of Michigan.

FY 2003-04 SUPPLEMENTAL ACTIONS

PUBLIC ACT 237 OF 2003 SUPPLEMENTAL APPROPRIATIONS

A budgetary savings amount of \$500,000 is included in this supplemental act for FY 2003-04. Section 203 of Public Act 237 of 2003 required the budgetary savings amount to be realized from the imposed hiring freeze, efficiencies, lapses, unclassified positions, and other administrative savings that did not jeopardize essential state services. Adjustments required to implement the budgetary savings could only be made after the approval of transfers by the Legislature pursuant to Section 393(2) of the Management and Budget Act.

	FY 2003-04	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05	FY 2004-05		
FY 2004-05	COMM. HEALTH	EXECUTIVE	REVISED EXEC	SENATE	HOUSE	ENROLLED	FY 2004-05	FY 2004-05
P.A. 349 of 2004 (S.B. 1063)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-04	12-Feb-04	27-May-04	30-Mar-04	9-Jun-04	9-Sep-04	29-Sep-04	30-Sep-04
Sec. 122. BUDGETARY SAVINGS								
Budgetary savings	(500,000)	0	0	0	(27,236,900)	0	0	0
GROSS APPROPRIATION	(500,000)	0	0	0	(27,236,900)	0	0	0
Appropriated from:								
Special revenue funds:								
State general fund/general purpose	(500,000)	0	0	0	(27,236,900)	0	0	0

BOILERPLATE

GENERAL SECTIONS BOILERPLATE

Sec. 201. State Spending

Totals the state spending from state resources under Part 1 for Fiscal Year (FY) 2004-05 and state spending from state resources to be paid to local units of government for FY 2004-05.

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 the Department 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 they result in the Department being unable to deliver basic services, cause loss of revenue to the state, and result 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. 208. Internet Reporting Requirements

Requires the Department to use the Internet to fulfill the reporting requirements of this act.

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. 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 health initiative fund. Requires a report by February 1, 2005, on the FY 2004-05 appropriations fund sources by line item appropriations. Requires a report on the amount and sources of funds proposed to support the FY 2005-06 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, 2005, 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 2004-05. Requires the Department to report by March 15, 2005, 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, 2004, and May 1, 2005, 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, 2005.

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 and carried forward. 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. 264. *Submission of Medicaid Waiver*

Requires the Department to notify the House of Representatives and Senate Appropriations Subcommittees on Community Health and the House and Senate Fiscal Agencies upon the submission of a Medicaid waiver, a Medicaid state plan amendment, or similar proposal to the Centers for Medicare and Medicaid Services.

Sec. 265. *Retention of Reports*

Requires departments and agencies receiving Part 1 appropriations to receive and retain copies of all reports funded from Part 1 appropriations.

Sec. 266. *Out-of-State Travel*

Limits out-of-state travel to when it is required by legal mandate, necessary to protect the health or safety of Michigan citizens, necessary to produce budgetary savings or increase state revenues, necessary to comply with federal requirements, necessary to secure specialized training for staff, or financed entirely by federal or nonstate funds, except if travel is granted an exception by the State Budget Director. Also requires the Department to prepare an out-of-state travel report for the preceding fiscal year by January 1, 2005.

DEPARTMENTWIDE ADMINISTRATION BOILERPLATE

Sec. 301. *Worker's Compensation Funds*

Allows the Department to make payment from funds appropriated for worker's compensation for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

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 \$3,048,900 to enhance the service capacity of federally qualified health centers and similar health clinics providing primary care services.

Sec. 308. *Primary Care Services Pilot Project*

Allocates \$250,000 to a pilot project to support operation of a health center that serves the uninsured, underinsured, and Medicaid population of Barry County who are currently not being served.

Sec. 313. *Compulsive Gambling*

Requires a November 1, 2004, 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.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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 or specialty prepaid health plans. Requires the Department to ensure that each CMHSP or specialty prepaid health plan 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.

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

Requires final authorizations to CMHSPs or specialty prepaid health plans be made upon the execution of contracts between the Department and CMHSPs or specialty prepaid health plans. Requires each contract with a CMHSP or specialty prepaid health plan to include a provision that it is not valid unless the total dollar obligation of all contracts entered into between the Department and CMHSPs or specialty prepaid health plans for FY 2004-05 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 or specialty prepaid health plans that would affect enacted rates or expenditures.

Sec. 403. *Multicultural Service Providers*

Requires the Department to ensure that CMHSPs or specialty prepaid health plans continue contracts with multicultural service providers.

Sec. 404. *Report on CMHSPs*

Requires the Department to provide a report by May 31, 2005, on the following for CMHSPs or specialty prepaid health plans: expenditures and services data; information about access to CMHSPs; an estimate of the number of FTEs employed by CMHSPs or specialty prepaid health plans as of September 30, 2004; lapses and carry-forwards during FY 2003-04; information on the CMH Medicaid managed care program; and performance indicator information required to be submitted to the Department in contracts with CMHSPs or specialty prepaid health plans.

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

Provides that it is the Legislature's intent that the wage increase funded in previous years 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 program 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 or specialty prepaid health plans 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, 2005, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2003-04.

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 or specialty prepaid health plan require the CMHSP or specialty prepaid health plan 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 or specialty prepaid health plan 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*

Requires the Department to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance abuse services at not less than the amount contracted for in FY 2003-04.

Sec. 414. *Medicaid Substance Abuse Services*

Requires Medicaid substance abuse services to be managed by selected CMHSPs or specialty prepaid health plans 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 or specialty prepaid health plans 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 or specialty prepaid health plans to be responsible for the reimbursement of claims for specialized substance abuse services. Allows CMHSPs or specialty prepaid health plans 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. 418. *Monthly Report on Medicaid Managed Mental Health Program*

Requires the Department to report monthly on the amount of funding paid to CMHSPs or specialty prepaid health plans to support the Medicaid managed mental health program.

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, 2005, 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 or specialty prepaid health plans 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 as 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, 2005, on the following FY 2003-04 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 and 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. 428. *Contingency Appropriation for CMHSPs*

Requires CMHSPs or affiliations of CMHSPs to provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. 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.

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. 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 for pilot projects implemented under this section.

Sec. 442. *Medicaid Adult Benefits Waiver Program*

Expresses the Legislature's intent that the \$40 million transferred from CMH Non-Medicaid Services to support the Medicaid Adult Benefits Waiver program be used to provide state match for increases in federal funding for

primary care and specialty services provided to Medicaid Adult Benefits waiver enrollees and economic increases for the Medicaid Specialty Services and Supports program. Requires the general fund match be transferred back to CMH Non-Medicaid Services if enrollment in the Medicaid Adult Benefits Waiver program does not achieve expectations and the funding for the program is not expended. Also requires the Department to request in a Medicaid Specialty Services waiver renewal application that the amount of savings retained by a specialty prepaid health plan (PHP) be changed from 5% to 7.5% of aggregate capitation payments. If the Department is unable to secure federal approval for this change, the Department is then required to allow PHPs and their affiliate CMHSP members to retain 50% of the GF/GP portion of the funds allocated under the Medicaid Specialty Services waiver. Requires the Department to report quarterly on a summary of eligible expenditures for the Medicaid Adult Benefits Waiver program to the House and Senate Appropriations Subcommittees on Community Health.

Sec. 450. *Audit and Reporting Requirements for CMHSPs*

Requires the Department to continue a Work Group comprised of CMHSPs or specialty prepaid health plans and department staff to recommend strategies to streamline audit and reporting requirements for CMHSPs or specialty prepaid health plans. Requires the Department to report the Work Group's recommendations by March 31, 2005, to the House and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

Sec. 452. *Financial Impact on CMHSPs*

Prohibits the retroactive implementation of any policy that results in negative financial impact on CMHSPs or prepaid inpatient health plans.

Sec. 453. *Substance Abuse Block Grant Work Group*

Requires the Department to share the findings of the federal Substance Abuse Block Grant Work Group with the Senate and House Appropriations Subcommittees on Community and House and Senate Fiscal Agencies by December 1, 2004.

Sec. 454. *Feasibility Study - VETOED*

Appropriates \$50,000 of the Mental Health/Substance Abuse Program Administration line item for a feasibility study for increased coordination and collaboration between community health and human services agencies. Results and recommendations from the study shall be reported by September 20, 2005 to the House and

Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

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 \$1,000,000 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 or specialty prepaid health plans to provide semiannual reports to the Department on the following: the number of days of care purchased from state hospitals, state centers, and private hospitals; 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 or specialty prepaid health plans 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 or specialty prepaid health plans 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

PUBLIC HEALTH ADMINISTRATION

Sec. 650. *Fish Consumption Advisory*

Requires the Department to communicate the annual public health consumption advisory for sportfish for calendar years 2004 and 2005, at minimum posting the advisory on the Internet and providing it to Women, Infants, and Children special supplemental nutrition program clients.

HEALTH REGULATORY SYSTEMS

Sec. 701. *Surveys on Nursing Homes*

Requires the Department to provide electronic notification on October 31, 2004 and April 30, 2005, to the State Budget Office, House and Senate Fiscal Agencies, and House and Senate Appropriations Subcommittees on the initial and follow-up surveys conducted on nursing homes. The report must include the following information: the number of surveys conducted; the number of nursing homes requiring follow-up surveys; the number of citations per nursing home; the number of complaints filed against a nursing home; the

average length of time for the Department to respond to a complaint filed against a nursing home; and the number and percentage of citations appealed, overturned, and/or modified.

Sec. 703. *Nursing Home Investigations*

As a condition of receiving GF/GP appropriations for health systems administration, the Department must do the following: assist persons in putting their oral complaints in writing, initiate investigations on all written nursing home complaints within 15 days of receipt of the complaint, and provide written responses to complaints within 30 days of receipt of complaints.

Sec. 704. *Emergency Medical Services (EMS) Grantees and Contractors*

Requires the Department to continue to work with emergency medical services (EMS) grantees funded from Part 1 appropriations to ensure that a sufficient number of qualified EMS personnel exist to serve rural areas of the state.

Sec. 705. *Internet Posting of Inspections of Nursing Homes*

Requires the Department to post the executive summary of the latest inspection for each licensed nursing home on the Internet.

Sec. 706. *Nursing Home Inspectors*

Requires the Department to make every effort to hire nursing home inspectors with past experience in the long-term care industry.

Sec. 707. *Nurse Scholarship Program*

Expresses Legislature's intent that funds appropriated for the Nurse Scholarship Program be used to increase nurses practicing in Michigan. Also expresses Legislature's intent that the Department and Board of Nursing work cooperatively with the Michigan Higher Education Assistance Authority to coordinate scholarship assistance. Encourages the Board of Nursing to structure scholarships in which recipients who intend to practice nursing in this state are rewarded.

Sec. 708. *Quarterly Staff Reports from Nursing Facilities*

Requires nursing facilities in their quarterly reports to the Department to report on the total patient care hours provided each month and the percentage of pool staff used each month during the preceding quarter. Requires the Department to make the quarterly staff report available to the public.

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. 804. Tetanus and Diphtheria Immunization for Seniors

Requires that the tetanus and diphtheria immunization be offered annually at the same time that the influenza immunization is offered to patients 65 years of age or older who are residents of long-term care facilities.

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, 2005.

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

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

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. 1009. *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 of chronic disease prevention line item funds for osteoporosis prevention and treatment education.

Sec. 1019. Stroke Prevention Funding

Allocates \$50,000 of chronic disease prevention line item funds for stroke prevention, education, and outreach.

Sec. 1020. Arthritis Education Program Funding

Allocates \$906,100 of chronic disease prevention line item funds for childhood and adult arthritis programming.

Sec. 1028. African-American Male Health Initiative Funding

Appropriates funds for the African-American male health initiative contingent on the availability of Healthy Michigan Funds or federal Preventive Health and Health Services Block Grant funds.

Sec. 1029. Parkinson's Disease Program Funding

Appropriates \$200,000 for programs related to Parkinson's disease.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

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 Family, Maternal, and Children's Health Services 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. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs

Requires the Department to report by April 1, 2005 on planned allocations and prior fiscal year 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 Family, Maternal, and Children's Health Services 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; and requires a report by the Department to be made available upon request not later than December 1.

Sec. 1110. *Designation of Delegate Agencies for Family Planning/Pregnancy Prevention Funds*

Provides that 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 from prenatal care outreach and service delivery support line item funds.
- Sec. 1124. Statewide Fetal Infant Mortality Review Network Allocation of Funds**
Requires the Department to allocate \$450,000 from federal Maternal and Child Health Services Block Grant funds for the statewide fetal infant mortality review network if additional Block Grant funds are available, and directs that the network be funded with a like amount in FY 2005-06 if federal funds become available.
- 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 from information available to the Department on the number of children with elevated blood lead levels, by county, indicating the blood lead level, and sources of information.
- 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. 1135. 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. 1136. *Child Advocacy Center Funding*

Requires the Department to allocate funds for child advocacy centers contingent upon the availability of state funds.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

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, 2005, 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.

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. *Interdepartmental Grant to Judiciary for Drug Treatment Courts*

Provides that \$1.8 million of federal Byrne grant money be directed as an interdepartmental grant to the Judicial Branch for local drug treatment courts, in addition to the \$1.8 million funding that the Department currently distributes to local drug treatment courts from the Byrne grant.

CRIME VICTIM SERVICES COMMISSION

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. 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

Provides that funding for community, nutrition, and home services be 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 and establishes standard criteria for persons to be included on the waiting list.

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 \$5.0 million 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. 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 BOILERPLATE

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. 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, referral to public health clinics for ineligible persons, and allowing qualified applicants to select or remain with the participating obstetrician of her choice. Also specifies that obstetrical and prenatal care claims are to be paid at Medicaid fee-for-service rates if there is no contract between the provider and the managed care plan.

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. 1615. Medicaid Electronic Billing

Directs the Department to require enrolled Medicaid providers to submit their billings electronically, unless prohibited by law or regulation.

Sec. 1620. Pharmacy Dispensing Fee, Copayments, and Mail Order Drugs

Lowers the pharmacy dispensing fee from \$3.77 to \$2.50 (\$2.75 for nursing home pharmacies) or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug where a generic equivalent is available, except as prohibited by federal or state law or regulation. Requires implementation of a voluntary mail order pharmacy program. Retains pharmacy dispensing fees at FY 2003-04 levels and prohibits implementation of the mail order pharmacy program if a pharmacy quality assurance assessment program is established by September 1, 2004 that allows the state to retain \$18.9 million of the assessment.

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. 1621a. Disease Management Pilot Projects

Allows DCH to establish pilot projects to test the efficacy of disease/health management systems and use the savings in lieu of supplemental rebates to include the drug manufacturer's products on the preferred drug list.

Sec. 1622. Pharmaceutical Best Practice Initiative

Specifies 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. 1622a. Pharmacy and Therapeutics Committee

Expresses legislative intent regarding the makeup of the pharmacy and therapeutics committee to include five licensed retail pharmacists and six licensed physicians all of whom are to be in active clinical practice, residing in the state, and have a representative portion of Medicaid fee-for-service clients in their practice. Also expresses intent that the committee membership shall come from recommendations by the Michigan medical society, the Michigan osteopathic association, the Michigan pharmacist association, and the Michigan retailers association.

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. 1625. Atypical Antipsychotic Medications

Directs the Department to continue the practice of placing all atypical antipsychotic medications on the Medicaid preferred drug list.

Sec. 1626. Multistate Drug Purchasing Benefit-Cost Analysis

Requires DCH to provide a benefit-cost analysis that documents greater savings from the multistate drug purchasing compact than the current PDL supplemental rebate program before implementing the compact.

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

Authorizes the Department to secure manufacturer drug rebates for participants in the MIChild, MOMS, 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. 1629. Maximum Allowable Cost (MAC) Drug Pricing

Requires the Department to base its MAC prices for generic drugs on the pricing available from at least two wholesalers who deliver in Michigan.

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

Continues hearing aid, podiatric, and chiropractic services at not less than the level in effect on October 1, 2002. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year. Restores coverage for hearing aid services, but authorizes the Department to implement bulk order purchasing of hearing aids, imposes limits on binaural hearing aid benefits and limits replacement of hearing aids to once every 3 years.

Sec. 1630a. Dental Services

Directs the Department to increase payment rates for dental services provided at local health departments.

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 \$10,359,600 from Graduate Medical Education funds for a psychiatric residency training program if the universities involved provide the necessary Medicaid matching funds.

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, 2004.

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*

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. 1654. Reimbursement for HMO Covered Services

Requires Medicaid HMOs to pay for services by non-HMO providers if medically necessary, approved by the HMO, immediately required, and can't be obtained through HMO providers on a timely basis. Services are considered approved if the authorization request is not responded to within 24 hours.

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

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. Requires DCH to receive assurances from Office of Financial and Insurance Services that new Medicaid HMOS meet net worth and solvency standards prior to contracting with them.

Sec. 1658. HMO Contracts with Hospitals

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. 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

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. Also

requires 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.

Sec. 1661. *Prohibition on Prior Authorization for EPSDT and MSS/ISS Services*

Requires timely access to Maternal/Infant Support services (MSS/ISS) and coordination with other state or local programs. Also prohibits 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. 1670. *MIChild Program Eligibility*

Specifies that the funds appropriated for the MICHild 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 MICHild 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 MICHild health care benefit at the capitated rate.

Sec. 1671. *MICHild Marketing and Outreach*

Requires the Department to continue a comprehensive approach to the marketing and outreach of the MICHild 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 the family 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 \$15 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*

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 2003-04 through the Medicaid nursing home wage pass-through program implemented in previous fiscal years. Also requires that the Department not increase or decrease the Medicaid nursing home wage pass-through program in FY 2004-05.

Sec. 1681. *Home and Community Based Services*

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. 1685. *Prospective Setting of Medicaid Nursing Home Payment Rates*

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. 1687. *Psychiatric Care for Alzheimer's Disease or Dementia - VETOED*

Authorizes the Department to contract with a stand alone psychiatric facility to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care. The facility must provide at least 20% of its total care to Medicaid recipients. A report shall be submitted to both Legislative subcommittees on Community Health, as well as the fiscal agencies, on the effectiveness of the facility contract in improving the quality of services to Medicaid recipients.

Sec. 1688. *Personal Care Services Reimbursement Rate*

Prohibits a limit on personal care services reimbursement under the Medicaid Home and Community-Based Services program, but allows the Department to maintain the aggregate per day client reimbursement cap for all services provided under the waiver program.

Sec. 1689. *Home and Community Based Services*

Gives priority in HCBS enrollment to nursing homes residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Directs DCH to transfer funds to the HCBS program for successfully moving persons out of nursing homes if there is a net reduction in the number of Medicaid nursing home days of care and a net cost savings attributable to moving persons out of nursing homes. Provides for a quarterly report on HCBS allocations and expenditures by regions and net cost savings. Requires competitive bid for administration of the new screening and assessment process for long-term care services.

Sec. 1690. *Program of All Inclusive Care for the Elderly (PACE)*

Contingent on the availability of funds, and federal approval, requires the Department to encourage and assist in establishing a capitated, managed care benefit for the frail elderly known as PACE in at least parts of three west Michigan counties. The program shall include a comprehensive medical and social service

delivery system, a multidisciplinary team approach in an adult day health center supplemented by in-home and referral services.

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. 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 (GME). Payments for GME shall be made by DCH directly to qualifying hospitals rather than through HMOs.

Sec. 1700. Actuarially Sound Capitation Rates

Directs the Department to request a federal Medicaid waiver to implement actuarially sound capitation rates for managed care organizations over two years. It also would require Medicaid provider rate reductions if the waiver request is denied. In addition, the Department is required to complete a study by January 2005 of alternative approaches to provide Medicaid health care services to those currently enrolled in HMOs.

Sec. 1710. *MIChoice Home and Community Based Services*

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 prior to implementation.

Sec. 1711. *Medicaid 2-Tier Case Rate for Emergency Services*

Requires the continuation of a 2-tier Medicaid case rate for emergency physician charges, and that payments by case and aggregate not exceed 70% of Medicare rates.

Sec. 1712. *Rural Health Initiative*

Subject to the availability of funds, requires DCH to implement a rural health initiative with funds to be first allocated to a rural outpatient hospital adjustor, and secondly, for defibrillator grants, EMT training, or other similar programs.

Sec. 1713. *Study on Dentist Participation in Medicaid*

Requires the Department to do a study on the level of participation by licensed dentists in the Medicaid program by April 1, 2005, that includes recommendations to reduce or eliminate barriers to participation.

Sec. 1716. *Adult Benefits Waiver Hospital Case Rate*

Requires the hospital case rate under the Medicaid Adult Benefits Waiver to be set at a rate that does not exceed \$108.6 million in gross savings.

Sec. 1717. *Disproportionate Share Payments to Hospitals (DSH)*

Increases DSH funding by \$5.0 million and requires distribution of the DSH funds through 2 separate pools. The first pool would distribute \$45.0 million based on the methodology in FY 2003-04. The remaining \$5.0 million would be allocated to hospitals that received less than \$900,000 in DSH payments in FY 2003-04 based on each hospital's Medicaid revenue and utilization.

Sec. 1718. *Adult Home Help Review Process*

Authorizes Medicaid adult home help beneficiaries to request a departmental review of any decisions that may adversely affect their access to home help services.

Sec. 1720. Medicare Recovery Program

Directs the Department to enhance its Medicare recovery program by January 1, 2005.

Sec. 1721. Medicaid Financial Eligibility For Long-Term Care Patients

Requires a review of Medicaid eligibility requirements for long-term care patients related to prepaid funds that are subsequently returned to individuals who qualify for Medicaid.

Sec. 1722. Medicaid Disproportionate Share Payment

Authorizes increased disproportionate share payments above the appropriated level if the necessary Medicaid matching funds are provided as allowable state match.

Sec. 1723. First Alert Response Program

Makes a contingent appropriation, based on the availability of funds, of \$15.0 million to level 1 trauma centers for a First Alert Response Program, and \$5.0 million for hospitals at least 50 miles from level 1 trauma centers that also have at least 14,000 emergency room visits per year.

Sec. 1724. Injectable Drugs for Respiratory Syncytial Virus

Requires DCH to allow pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physician's offices. Allows Medicaid reimbursement for dispensing and administration if patients are eligible.

FY 2004-05 SUPPLEMENTAL ACTIONS

PUBLIC ACT 360 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Sec. 206. Community Mental Health Authority

Requires the Department to monitor the progress of a CMHSP required by law to become a CMH authority. At a minimum, the monitoring activities would include submission of a copy of the enabling resolution adopted by the Board of Commissioners creating the authority, and a detailed transition plan on activities necessary for the successful operation of an authority. Permits the Department to withhold appropriated funds if the CMHSP is not making sufficient progress in becoming a functional CMH authority by a specified date.

FY 2003-04 SUPPLEMENTAL ACTIONS

PUBLIC ACT 309 OF 2004 SUPPLEMENTAL APPROPRIATIONS

Sec. 203. *Redirect Ergonomics Funding to Minimize Employee Compensation Concessions*

Directs that any funds appropriated in Public Act 159 of 2003, and other appropriations acts, to support ergonomics activities that exceed federal voluntary ergonomics guidelines, be instead used to minimize the compensation concessions made by state employees.