



**FY 2005-06 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
Public Act No. 154 of 2005, Article 3
And FY 2004-05 Supplemental Actions**

Prepared by:
Margaret Alston, Senior Fiscal Analyst
Susan Frey, Senior Fiscal Analyst
Steve Stauff, Senior Fiscal Analyst
Tumai Burris, Budget Assistant
January 2006

Mitchell E. Bean, Director
Michigan House of Representatives
House Fiscal Agency
P.O. Box 30014
Lansing, Michigan 48909
517-373-8080

**FY 2005-06 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
And FY 2004-05 Supplemental Actions**

TABLE OF CONTENTS

Overview	1
 <u>APPROPRIATION SUMMARIES:</u>	
Departmentwide Administration	9
Mental Health Appropriation Summary	13
Mental Health/Substance Abuse Services Administration and Special Projects (Health)	14
Community Mental Health/Substance Abuse Services Programs (Health)	18
State Psychiatric Hospitals, Centers for Persons with Developmental Disabilities, and Forensic and Prison Mental Health Services (Health)	24
Public Health Appropriations Summary	29
Public Health Administration (Health)	30
Health Regulatory Systems (Health)	32
Infectious Disease Control (Health)	37
Laboratory Services (Health)	40
Epidemiology (Health)	43
Local Health Administration and Grants (Health)	46
Chronic Disease and Injury Prevention and Health Promotion (Health)	48
Family, Maternal, and Children's Health Services (Health)	53
Women, Infants, and Children Food and Nutrition Program (Health)	56
Children's Special Health Care Services (Health)	58
Office of Drug Control Policy (Safety)	61

Crime Victim Services Commission (Vulnerable)	63
Office of Services to the Aging (Vulnerable)	65
Medical Services	
Medical Services Administration (Health).....	68
Medical Services (Health).....	71
Information Technology (Health)	85

BOILERPLATE SUMMARIES:

General Sections Boilerplate	88
Departmentwide Administration Boilerplate	91
Mental Health and Substance Abuse Services Boilerplate	92
Public Health Boilerplate.....	100
Office of Drug Control Policy	107
Crime Victim Services Commission Boilerplate	107
Office of Services to the Aging Boilerplate.....	108
Medical Services Boilerplate.....	109
Fiscal Year 2004-05 Supplemental Actions	121

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 Policy, Regulation, and Professions, Office of Drug Control Policy, the Office of Services to the Aging, and the Crime Victim Services Commission. **Public Act 154 of 2005 (Article 3)** is the appropriation act for the Department of Community Health in FY 2005-06 that includes authorized funding totaling \$10.3 billion, of which \$3.0 billion is from GF/GP revenues. Highlights of Public Act 154 and changes from the prior fiscal year follow.

1. Economic Adjustments

A funding adjustment of \$30.3 million Gross (\$12.6 million GF/GP) is included in the budget to restore FY 2004-05 employee-related savings and fund employee economic increases for defined benefit and contribution retirement and insurance costs. The adjustment does not include funds for negotiated employees' salary and wage increases for FY 2005-06.

2. Group Insurance and Contract IT Savings

Savings of \$3.3 million Gross (\$1.9 million GF/GP) and \$9.1 million Gross (\$6.9 million GF/GP) are included for group insurance and contract information technology pursuant to the Leadership target agreement.

3. Mental Health Provider Tax

The budget includes an additional \$131,770,600 for Medicaid Mental Health and Substance Abuse Services to reflect a capitation rate increase slightly more than 2.4% based on a 6% provider tax on specialty prepaid health plans. Of the \$96,701,600 in state restricted revenue from the provider tax, \$53,749,700 is used to draw down an additional \$74,569,000 in federal Medicaid revenue. The remaining tax revenue is used to replace net GF/GP support of \$39.5 million for Community Mental Health/Substance Abuse Services Programs appropriation unit.

4. Forensic Mental Health Services

The interdepartmental grant from the Department of Corrections is reduced by \$38,705,000 Gross (\$0 GF/GP) due to a change in responsibility for mentally ill prisoners at the Huron Valley Center. The Department of Community Health continues to have responsibility for mental health clinical services, but the Department of Corrections assumed responsibility for non-clinical services during FY 2004-05.

5. Local Public Health Hearing and Vision Screening

Local Public Health Operations funds for hearing screening and vision services are reduced by 50% (\$2,575,000 Gross, all GF/GP) and local health departments are directed to offer hearing screening and vision services at a reduced level from the prior year, targeting preschool and early elementary aged schoolchildren. Services are provided by local public health departments pursuant to Part 93 of the Public Health Code, as a shared cost of local and state government.

6. Healthy Michigan Fund Project Revisions

Project allocations of the Healthy Michigan Fund appropriations are modified to increase the allocation for Medicaid services from \$12.9 million to \$17.1 million of the Fund total. Offsetting reductions are made to 13 of the remaining 29 funded projects. Most of the project reductions apply to funding increases from the prior fiscal year. These funding adjustments result in a net increase of \$112,700 Gross (\$0 GF/GP) in Healthy Michigan Fund appropriations.

7. Elimination of Senior Center Funding Support

The appropriation of \$1,068,700 of GF/GP funds distributed to area agencies on aging to support staffing costs at senior citizen centers is eliminated.

8. Medicaid Caseload, Utilization, and Inflation

The budget adds \$682,214,100 Gross (\$263,046,200 GF/GP) of Medicaid base adjustments for projected expenditure trends related to inflation, caseload and utilization growth. These adjustments occur within the Medical Services, Substance Abuse, Mental Health, Children's Special Health Care Services (CSHCS) and MICHild programs.

9. Medicaid Provider Rate Reductions

Included in the budget is the removal of \$126,906,600 Gross (\$55,235,500 GF/GP) due to a 4% reduction in provider payment rates affecting hospitals, physicians, home health care, long term care, hearing, vision, speech, HMOs, and children's special health care services. The 4% reduction is lowered to 3% for all providers except for HMOs, contingent on federal approval of a hospital case rate for optional Medicaid covered parents and caretaker relatives.

10. Medicare Drug Coverage for Dual Eligibles

Medicaid funding in the Pharmaceutical Services appropriation line is reduced by \$227,944,500 Gross (\$0 GF/GP) for all dual Medicaid-Medicare eligibles whose prescription drug coverage will be provided through the Medicare Part D drug benefit that takes effect on January 1, 2006. The state will continue to provide GF/GP funds for prescription coverage to dual eligibles at the FY 2004-05 level due to the federal "clawback" provision.

11. Third Share Plan

The budget adds \$10,000,000 Gross (\$4,341,000 Local) to finance health care coverage through the Third Share Plan, for low-income working families who are not eligible for Medicaid. Under the plan, employers, employees, and counties will cover an equal portion of health care premiums for individuals enrolled in qualified health plans. The state will help counties to cover program costs by contributing federal disproportionate share (DSH) funding that will match the counties' local funds.

12. Medicaid Estate Recovery and Eligibility Loophole

The budget removes \$10,000,000 Gross (\$4,341,000 GF/GP) from the Long Term Care appropriation line due to the anticipated savings from a Medicaid estate recovery program. A further reduction of \$18,428,900 Gross (\$8,000,000 GF/GP) reflects anticipated savings from closure of loopholes that allow individuals to shield assets through annuities and other trust assets in order to qualify for Medicaid long term care services. Legislation will be required to implement these changes.

13. Elimination of Retroactive Medicaid Eligibility

The Hospital Services and Therapy line is reduced by \$11,300,000 Gross (\$4,905,300 GF/GP) and the Long Term Care Services line is reduced by \$17,000,000 Gross (\$7,379,700 GF/GP) through eliminating Medicaid retroactive eligibility for three-months prior to the date of application. A federal waiver is required to implement this change.

14. Obstetrical Services Payment Rates

The budget adds \$6,910,800 Gross (\$3,000,000 GF/GP) to increase rates for obstetrical services by approximately 20%. Implementing boilerplate language is found in Section 1635.

15. Medicaid Hospital and Physician Visit Copayments

The budget establishes Medicaid copayments of \$3.00 for a hospital emergency room visit, \$50.00 for the first day of an in-patient hospital stay, \$1.00 for an out-patient hospital visit, and \$2.00 for a physician office visit. Savings of \$5,421,200 Gross (\$2,353,300 GF/GP) are recognized. Implementing boilerplate language is found in Section 1631 (2).

16. Medicaid Recoveries, Eligibility Error Rate and Mispayment Savings

Savings recognized from anticipated audit recoveries are \$8,753,700 Gross (\$3,800,000 GF/GP). Boilerplate language in Section 1616 provides spending authorization for recovered funds. Savings anticipated from a reduction in the Medicaid eligibility error rate, as specified in Section 1725, are \$21,070,300 Gross (\$9,146,600 GF/GP). Further savings of \$5,068,000 Gross (\$2,200,000 GF/GP) are attributed to the hiring of a consulting firm to decrease Medicaid provider mispayments.

17. Nursing Home Quality Assurance Assessment Program (QAAP) Savings

The budget includes \$133,609,800 Gross authorization (\$76,000,000 restricted QAAP revenue) generated by increasing the nursing home provider tax from 5.1% to 6.0%. The State retains \$18,000,000 which will offset an identical amount of GF/GP. The remaining \$58,000,000 is match for federal funds for a Medicaid payment increase to nursing homes.

18. Pharmaceutical Savings

Funding is reduced by \$9,214,500 Gross (\$4,000,000 GF/GP) from lower psychotropic drug utilization due to a new program that evaluates doctor's prescribing practices. An additional \$9,905,600 Gross (\$4,300,000 GF/GP) in savings is included for anticipated fraud recoveries from drug manufacturers.

19. Home and Community-Based Services (HCBS) Program

Nursing home costs are reduced \$2,994,700 Gross (\$1,300,000 GF/GP) by transitioning an estimated 200 patients to the HCBS waiver program. More funds are allocated to support the additional slots through Section 1684 which requires that administrative expenses for the HCBS waiver program be reduced by \$2.00 per person per day.

20. Executive Budget Revisions

The FTE positions for Department Administration and Management are reduced by 13.0 to reflect the Executive Budget Revision letter dated June 2, 2005. The FTE reduction is attributable to implementing Executive Order 2005-1 which created the State Office of Administrative Hearings and Rules (SOAHR) as a Type 1 agency within the Department of Labor and Economic Growth.

FY 2004-05 Funding Adjustments

A series of funding adjustments have been made to the enacted FY 2004-05 Community Health budget. In March of 2005, the Governor issued **Executive Order 2005-7** that made reductions to the Community Health budget totaling \$89.1 million Gross (\$63.6 million GF/GP). In addition, three supplemental appropriation bills were enacted, **Public Act 11 of 2005, Public Act 109 of 2005, and Public Act 154 of 2005**. These supplemental appropriations provided additional funding for increased Medicaid costs, recognized increased revenue from assessing a 6% provider tax on specialty prepaid health plans, offset some of the reductions contained in Executive Order 2005-7, recognized additional revenue from grant awards and quality assurance assessment programs (QAAP) for hospitals, and allowed for the expenditure of additional QAAP funds for nursing homes and county medical care facilities.

Public Act 11 of 2005 (House Bill 4308) enacted in April 2005, provides supplemental FY 2004-05 appropriations totaling \$245,398,600 Gross (\$39,814,900 GF/GP). The act appropriates \$218,549,600 Gross (\$39,814,900 GF/GP) for increased Medicaid expenditures related to caseload and utilization growth, increased revenue from the expansion of QAAP for hospitals, the alignment of funding with anticipated spending for top 10 Medicaid appropriation lines, increases in state restricted and local revenue authorizations for the Medicaid Benefits Trust Fund and Teen Health Centers, and increases in revenue authorization for the Special Adjustor Payments appropriation line. The Immunization Local Agreements line item is increased by \$500,000 to replace the Executive Order reduction with available state restricted interest income from the Pharmaceutical Products Fund. The Departmental Administration and Management line item is increased by \$137,000 to replace the Executive Order reduction with available Health Professional Regulation Fund revenues. Funds for Medicaid Mental Health and Substance Abuse Services line items are increased by \$25,490,000 Gross (\$0 GF/GP) to replace the Executive Order reductions and reflect a capitation rate increase due to a 6% provider tax on specialty prepaid health plans. The bill redirects \$1.4 million GF/GP from the CMH Non-Medicaid Services line item to the CMHSP, Purchase of State Services Contracts line item since CMHSPs will not spend mental health risk pool dollars set aside in FY 2004-05. The bill also appropriates \$722,000 of federal Medicaid Modernization Act funding to the Medical Services Administration appropriation line providing education and outreach for intended beneficiaries of the new Medicare Part D drug benefit program which starts on January 1, 2006.

Public Act 109 of 2005 (House Bill 4436) enacted in September 2005, increases the FY 2004-05 appropriations by \$154,399,800 Gross (\$54,704,400 GF/GP). Medicaid funding is increased by \$141,429,100 Gross (\$54,704,400 GF/GP) for expenditures related to caseload growth and changes in utilization and inflation, to replace Medicaid Benefits Trust Fund, Tobacco Settlement, and Merit Award Trust Fund revenues with \$16.0 million GF/GP, to fund shift \$11.0 million of revenue for the Health Services Plan appropriation line due to an increase in QAAP, to increase GF/GP by \$1.8 million for the Long Term Care appropriation line due to a shortfall in local revenues from county medical care facilities, and to recognize Medicaid revenue of \$11.0 million available for maternal and child health services provided by local health departments. The act increases the federal, local, and state restricted revenue authorization by \$1.4 million at Caro Regional Mental Health Center and Kalamazoo Psychiatric Hospital to recognize increased patient reimbursement revenue and cover projected costs at these facilities. The revenue authorization for Gifts and Bequests for Patient Living and Treatment Environment is increased by \$400,000 due to the carry forward of this revenue. The act appropriates \$4.2 million of increased revenue from pharmaceutical manufacturers for voluntary rebates on AIDS and HIV medications used in the AIDS Drug Assistance Program. The appropriation for Laboratory Services is increased by \$705,900 to recognize additional laboratory services revenue from newborn screening test fees, and increased by \$142,100 to recognize additional interdepartmental grant funds from the Department of Environmental Quality for ongoing analyses of fish tissue for chemical contaminants.

The supplemental act increases the appropriation for Epidemiology Administration by \$76,200 to recognize a private funds grant from the Saginaw Bay Watershed Initiative for surveys of local persons who fish and their levels of local fish consumption, and to promote healthy choices of fish and wildlife consumption. The appropriation for Smoking Prevention Program is increased by \$114,000 to establish private fund authorization for a new 3-year grant award from the American Legacy Foundation to support a statewide smoking cessation hotline. The private revenue authorization for Women, Infants, and Children Program Local Agreements and Food Costs is increased by \$457,500 to reflect infant formula manufacturer rebates received for infant formula used over the budgeted amount. The private funds authorization for the Office of Services to Aging Administration is increased by \$75,000 to recognize private contributions for administering the Farmers' Market Nutrition Program for Seniors, or Project FRESH for Seniors. The federal Medicaid contractual funds to Michigan State University and University of Michigan are increased by \$3.8 million for health education, Medicaid program evaluation, and outreach efforts to improve health care access. The supplemental increases the federal funds authorization for Mount Pleasant Center by \$1.6 million to enable the Department of Community Health to pay for the hiring of 39 direct care staff that was required to maintain federal certification for this facility.

Public Act 154 of 2005 (House Bill 4831, Article 3) enacted in September of 2005, increases the FY 2004-05 appropriations by \$18,800,000 Gross (\$8,161,100 state restricted) within the Long-Term Care Services line. The increase allows for the expenditure of additional nursing home QAAP funds, federal Medicaid match, and additional QAAP funds made possible by statutory changes that allowed County Medical Care Facilities (CMCF) to be included in the nursing home assessment.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06
	COMM. HEALTH	RECOMMEND.	REVISIED EXEC.	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	10-Feb-05	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	(HB 4379)	2-Jun-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH				(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
DEPARTMENT OF COMMUNITY HEALTH							
APPROPRIATION SUMMARY:							
Full-time equated unclassified positions	6.0	6.0	0.0	6.0	6.0	6.0	6.0
Full-time equated classified positions	5,112.6	4,693.1	(13.0)	4,680.6	4,695.1	4,668.6	4,668.6
Average population	1,102.0	1,135.0	0.0	1,135.0	1,135.0	1,135.0	1,135.0
GROSS APPROPRIATION	10,173,199,800	10,240,883,200	0	9,879,064,600	10,011,634,500	10,326,194,000	10,326,194,000
Interdepartmental grant revenues:							
Total interdepartmental grants and intradepartmental tra	70,037,000	34,485,400	0	32,794,800	34,485,400	34,090,000	34,090,000
ADJUSTED GROSS APPROPRIATION	10,103,162,800	10,206,397,800	0	9,846,269,800	9,977,149,100	10,292,104,000	10,292,104,000
Federal revenues:							
Total federal revenues	5,502,478,700	5,467,496,800	0	5,283,772,000	5,310,618,600	5,533,597,400	5,533,597,400
Special revenue funds:							
Total local revenues	523,452,400	235,430,800	0	231,352,700	235,280,800	231,524,400	231,524,400
Total private revenues	55,476,400	59,470,100	0	59,467,500	59,073,800	59,073,800	59,073,800
Merit award trust fund	110,675,000	50,300,000	0	50,300,000	50,300,000	50,300,000	50,300,000
Tobacco settlement trust fund	66,125,000	72,000,000	0	72,000,000	72,000,000	72,000,000	72,000,000
Total other state restricted revenues	1,287,044,700	1,401,060,600	0	1,306,778,000	1,383,527,200	1,393,709,000	1,393,709,000
State general fund/general purpose	2,557,910,600	2,920,639,500	0	2,842,599,600	2,866,348,700	2,951,899,400	2,951,899,400
<p><i>* NOTE: The House version of the DCH budget was passed as part of HB 4831, which encompassed all state budgets for FY 2005-06. The Senate version of the DCH budget was passed as SB 267. The Conference Committee on SB 267, made up of members from the House and Senate Appropriations Subcommittees on Community Health, approved a conference report on September 15, 2005. The conference report on SB 267 was incorporated intact into a multi-budget conference report on HB 4831 on September 20, 2005. The HB 4831 conference report was adopted by both chambers, enrolled and enacted, with no vetos for Article 3, the DCH portion.</i></p>							

DEPARTMENTWIDE ADMINISTRATION (HEALTH)

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

Funding for Community Health Advisory Council is reduced by \$1,000 which represents 12.5% of the line item appropriation.

As part of reorganizing the Department of Community Health, the following occurred: 4.0 FTEs and \$390,000 Gross (\$0 GF/GP) are transferred to Departmental Administration and Management from Health Professions; and 25.7 FTEs and \$2,571,700 Gross (\$1,257,400 GF/GP) are transferred to a new line item entitled "Health Policy, Regulation, and Professions Administration" within the renamed Health Regulatory Systems appropriation unit. Funds and FTE positions for Departmental Administration and Management are increased by \$300,000 Gross (\$0 GF/GP) and 3.0 to recognize a new multi-year federal State Planning grant for the development of a comprehensive plan that would expand health care insurance coverage to all Michigan citizens throughout both the public and private sector. Funds and FTEs for Departmental Administration and Management are increased by \$200,000 Gross (\$0 GF/GP) and 2.0 in recognition of federal revenue for the Institutional Review Board which is required by law to protect the rights and welfare of humans participating as subjects in biomedical research involving human subjects.

Funds for Departmental Administration and Management are increased by \$474,600 Gross (\$344,500 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for employees' negotiated salary and wage increases for FY 2005-06. Funding for Departmental Administration and Management is increased by \$588,000 Gross (\$285,400 GF/GP) for employees' defined benefit retirement costs. Funds for Departmental Administration and Management are reduced by \$114,100 Gross (\$32,600 GF/GP) for employees' defined contribution retirement costs. Funds for Departmental Administration and Management are increased by \$312,400 Gross (\$197,400 GF/GP) for employees' insurance costs. Net administrative savings of \$178,100 Gross (\$315,100 GF/GP) and a reduction of 2.0 FTE positions are included in budget for the Departmental Administration and Management line item by eliminating funds for 2.0 vacant FTE positions and 2.0 vacant student assignments, reducing CSS&M expenditures, and replacing \$137,000 GF/GP with fee revenue received from health professions. The GF/GP reduction of \$315,100 is identical to the amount included in Executive Order 2005-07

The distribution of split pay and early retirement savings contained in Public Act 349 of 2004 are corrected for Departmental Administration and Management by increasing the GF/GP authorization for this line item by \$457,400. The FTE positions for Departmental Administration and Management are reduced by 13.0 to reflect the Executive Budget

Revision letter dated June 2, 2005. The FTE reduction is attributable to implementing Executive Order 2005-1 which created the State Office of Administrative Hearings and Rules (SOAHR) as a Type I agency within the Department of Labor and Economic Growth. Savings of \$132,400 Gross (all GF/GP) are anticipated for Departmental Administration and Management for group insurance pursuant to the Leadership target agreement. Savings of \$658,900 Gross (all GF/GP) are anticipated for Departmental Administration and Management for contract information technology pursuant to the Leadership target agreement.

One FTE position is added for Certificate of Need (CON) Program Administration to reconcile to the organizational chart for the Department. The state restricted revenue and FTE positions supporting CON Program Administration are increased by \$600,000 and 3.0 in recognition of Public Act 469 of 2004 which increased fee revenue received from reviewing construction permits, CON applications, and CON projects requiring capital expenditures. As part of reorganizing the Department of Community Health, 14.0 FTE positions and \$1,607,600 Gross (\$0 GF/GP) for CON Program Administration are transferred to the renamed Health Regulatory Systems appropriation unit.

The enacted budget includes no changes for the Worker's Compensation Program.

Implementing Executive Order 2003-18, the state restricted revenue authorization for Rent and Building Occupancy charges is increased by \$441,100 to correct the transfer of funds associated with the health regulatory functions that were previously lodged with the former Department of Consumer and Industry Services (Department of Labor and Economic Growth).

Funding for Developmental Disabilities Council and Projects is increased by \$28,300 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. Funds for Developmental Disabilities Council and Projects are not increased for employees' negotiated salary and wage increases for FY 2005-06. Funds for Developmental Disabilities Council and Projects are increased by \$29,400 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Developmental Disabilities Council and Projects are reduced by \$1,300 Gross (\$0 GF/GP) for employees defined contribution retirement costs. Funds for Developmental Disabilities Council and Projects are increased by \$14,300 Gross (\$0 GF/GP) for employees' insurance costs. The federal Family Support Demonstration grant of \$200,000 supporting Developmental Disabilities Council and Projects is eliminated since it expired.

One FTE position is added to Rural Health Services to reflect what is supported by this line item. As part of reorganizing the Department of Community Health, 1.0 FTE position and \$1,377,900 Gross (\$126,000 GF/GP) for Rural Health Services are transferred to the renamed Health Regulatory Systems appropriation unit.

To reflect reorganization of the Department of Community Health, \$1,391,700 Gross (\$545,400 GF/GP) for Michigan Essential Health Care Provider Program is transferred to the renamed Health Regulatory Systems appropriation unit.

Funds for Primary Care Services are reduced by \$250,000 Gross (all GF/GP) to reflect elimination of one-time funds for a pilot project in Barry County that supported the operation of a health center that served the uninsured, underinsured, and Medicaid population. As part of reorganizing the Department of Community Health, 1.4 FTE positions and \$2,798,900 Gross (\$903,900 GF/GP) for Primary Care Services are transferred to the renamed Health Regulatory Systems appropriation unit.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Funds for Departmental Administration and Management are reduced by \$315,100 Gross (all GF/GP) to reflect elimination of funding for 1.0 vacant accounting position (\$61,100), elimination of funding for 2.0 student positions within the Budget/Contracts Division (\$42,000), elimination of 1.0 vacant training position (\$65,000), and CSS&M reductions (\$10,000). The GF/GP reduction is partially offset with \$137,000 in fee revenue from health professions as provided for in Public Act 11 of 2005.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Funds for Departmental Administration and Management are increased by \$137,000 to recognize available fee revenue from health professions. This fee revenue offsets part of the GF/GP reduction included in Executive Order 2005-7 for the line item.

	FY 2004-05	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06	FY 2005-06
	COMM. HEALTH	EXECUTIVE	REVIS	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	EXEC.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)		10-Feb-05	RECOMMEND.	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	2-Jun-05	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 102. DEPARTMENTWIDE ADMINISTRATION (HEALTH)							
Full-time equated unclassified positions	6.0	6.0	0.0	6.0	6.0	6.0	6.0
Full-time equated classified positions	250.1	218.0	(13.0)	220.0	220.0	207.0	207.0
Director and other unclassified--* FTE positions	581,500	581,500	0	556,500	581,500	581,500	581,500
* positions in above line	6.0	6.0	0.0	6.0	6.0	6.0	6.0
Community health advisory council	8,000	8,000	0	7,000	8,000	7,000	7,000
Departmental administration and management--* FTE p	22,498,700	21,899,800	0	21,726,800	21,899,800	21,565,900	21,565,900
* positions in above line	228.7	208.0	(13.0)	210.0	210.0	197.0	197.0
Certificate of need program administration--* FTE positi	1,007,600	0	0	0	0	0	0
* positions in above line	10.0	0.0	0.0	0.0	0.0	0.0	0.0
Worker's compensation program	8,558,700	8,558,700	0	8,558,700	8,558,700	8,558,700	8,558,700
Rent and building occupancy	8,259,300	8,259,300	0	8,700,400	8,259,300	8,700,400	8,700,400
Developmental disabilities council and projects--* FTE p	2,809,100	2,679,800	0	2,644,400	2,679,800	2,679,800	2,679,800
* positions in above line	10.0	10.0	0.0	10.0	10.0	10.0	10.0
Rural health services	1,377,900	0	0	0	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Michigan essential health care provider program	1,391,700	0	0	0	0	0	0
Primary care services--* FTE positions	3,048,900	0	0	0	0	0	0
* positions in above line	1.4	0.0	0.0	0.0	0.0	0.0	0.0
GROSS APPROPRIATION	49,541,400	41,987,100	0	42,193,800	41,987,100	42,093,300	42,093,300
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of treasury	107,400	0	0	0	0	0	0
Federal revenues:							
Total federal revenues	15,242,900	11,518,800	0	11,293,400	11,518,800	11,518,800	11,518,800
Special revenue funds:							
Total private revenues	185,900	35,900	0	35,900	35,900	35,900	35,900
Total other state restricted revenues	3,947,900	2,978,200	0	3,376,300	2,978,200	3,419,300	3,419,300
State general fund/general purpose	30,057,300	27,454,200	0	27,488,200	27,454,200	27,119,300	27,119,300

MENTAL HEALTH

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
MENTAL HEALTH APPROPRIATION SUMMARY:						
Full-time equated classified positions	3,570.1	3,097.7	3,097.7	3,097.7	3,097.7	3,097.7
Average population	1,102.0	1,135.0	1,135.0	1,135.0	1,135.0	1,135.0
GROSS APPROPRIATION	2,394,655,200	2,548,406,100	2,515,245,300	2,528,406,100	2,547,607,900	2,547,607,900
Interdepartmental grant revenues:						
IDG-department of corrections	68,687,700	33,240,200	31,570,800	33,240,200	32,844,800	32,844,800
Total interdepartmental grants and intradepartmental tra	68,687,700	33,240,200	31,570,800	33,240,200	32,844,800	32,844,800
ADJUSTED GROSS APPROPRIATION	2,325,967,500	2,515,165,900	2,483,674,500	2,495,165,900	2,514,763,100	2,514,763,100
Federal revenues:						
Total federal revenues	1,008,003,800	1,103,782,100	1,102,999,100	1,103,782,100	1,108,282,100	1,108,282,100
Special revenue funds:						
Total local revenues	160,600,300	170,702,000	166,623,900	170,702,000	166,945,600	166,945,600
Total private revenues	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Total other state restricted revenues	18,651,300	104,818,900	104,628,200	104,818,900	112,770,800	112,770,800
State general fund/general purpose	1,137,522,100	1,134,672,900	1,108,233,300	1,114,672,900	1,125,574,600	1,125,574,600

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS (HEALTH)

Funds and FTE positions for Mental Health/Substance Abuse Program Administration are increased by \$100,000 and 1.5 to recognize a new federal grant to assist the state in preventing the onset of and reduce the progression of underage drinking. The federal grant funds will also be used to reduce substance abuse problems in communities and build prevention capacity and infrastructure on both the state and community level. State restricted funds and FTE positions for Mental Health/Substance Abuse Program Administration are increased by \$627,900 and 8.0 to recognize the in-sourcing of a contract with the administrator of the Health Professional Recovery Program. This program, established through statute, supports the recovery of health professions from substance abuse/chemical addiction or mental illness. The Michigan Health Initiative revenue of \$58,100 supporting Mental Health/Substance Abuse Program Administration is replaced with GF/GP. This state restricted revenue is being used instead to finance the Laboratory Services line item. Funds and FTEs supporting Mental Health/Substance Abuse Program Administration are reduced by \$382,600 Gross (\$409,600 GF/GP) and 2.0, respectively. These net administrative efficiencies have been achieved through eliminating and reducing contracts (\$170,000), reducing CSS&M costs (\$10,000), eliminating funds for 2.0 vacant positions (\$145,600), shifting \$27,000 GF/GP to federal Medicaid, and saving \$57,000 GF/GP by changing federal funds for a CMH contract from Medicaid to Real Choice grant. The GF/GP reduction of \$57,000 was included in Executive Order 2005-7. The substance abuse licensing fees and fine revenue of \$124,200 supporting Mental Health/Substance Abuse Program Administration is replaced with GF/GP. The state restricted revenue is being used instead to support the Community Substance Abuse Prevention, Education, and Treatment Programs line item.

Funds for Mental Health/Substance Abuse Program Administration are increased by \$413,600 Gross (\$357,800 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for employees' negotiated and wage increases for FY 2005-06. Funds for Mental Health/Substance Abuse Program Administration are increased by \$334,400 Gross (\$198,100 GF/GP) for employees' defined benefit retirement costs. Funds for Mental Health/Substance Abuse Program Administration are reduced by \$33,600 Gross (\$26,200 GF/GP) for employees' defined contribution retirement costs. Funds for Mental Health/Substance Abuse Program Administration are increased by \$151,200 Gross (\$119,500 GF/GP) for employees' insurance costs. The funds for Mental Health/Substance Abuse Program Administration are increased by \$103,100 Gross (all GF/GP) to correct the distribution of split pay and early retirement savings contained in Public Act 349 of 2004. Funds for Mental Health/Substance Abuse Program Administration are reduced by \$75,600 GF/GP to recognize group insurance savings pursuant to the Leadership target agreement. The funds for Mental Health/Substance Abuse Program Administration are reduced by \$658,900 GF/GP to recognize contract information technology savings pursuant to the Leadership target agreement.

The enacted budget includes no changes for Consumer Involvement Program.

One FTE position is added to the Gambling Addiction line item which is funded within existing resources. The staff person will develop, coordinate, and monitor contracts related to the gambling addiction program. The person will also act as a liaison to the Lottery Bureau and develop policies for the treatment of persons with gambling addictions.

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

The federal Alzheimer's disease grant of \$300,000 supporting Mental Health Initiatives for Older Persons is eliminated as this grant expired.

Funds totaling \$340,600 Gross (all GF/GP) are transferred from Community Residential and Support Services to the Community Mental Health Non-Medicaid Services line item for 3 residential leases in Macomb County and 14 residential leases in Oakland County that expired.

The federal revenue authorization for Highway Safety Projects is reduced by \$1,087,200 to correctly reflect the grant award from the Department of Transportation.

Funds for Federal and Other Special Projects are increased by \$649,400 to recognize a new federal Building Evidence-Based Practices in Michigan grant. Funds will be used to conduct a research study examining the effectiveness of an evidence-based practice that has been adopted to serve a population other than the one for which it was originally developed. The grant funds will also be used to research the dissemination of evidence-based treatments within the public mental health system serving children, adolescents, and their families. Funds for Federal and Other Special Projects are increased by \$1.0 million to recognize a new federal Medicaid Infrastructure grant. Funds will be used to remove systemic barriers to employment for individuals with disabilities and support the inclusion of individuals in the workplace based upon their personal goals and choices. Excess federal revenue authorization of \$500,000 is removed from Federal and Other Special Projects.

Funds for Family Support Subsidy are increased by \$1,254,300 Gross (\$0 GF/GP) anticipating an average monthly caseload of 6,555 and a monthly payment of \$222.11. The program is financed with federal Temporary Assistance for Needy Families (TANF) block grant funds.

Funding for Housing and Support Services are increased by \$1,314,200 Gross (\$0 GF/GP) to recognize a new federal Shelter Plus Care grant of \$750,000 and increase the Housing and Urban Development (HUD) grant by \$564,200. The new Shelter Plus Care grant will be used to provide housing assistance to homeless persons who have coexisting disorders of a qualifying mental health disability and substance abuse.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Funds for Mental Health/Substance Abuse Program Administration are reduced by \$409,600 Gross (all GF/GP) to reflect the following: the elimination of funds for "to be determined" (TBD) contracts (\$75,000); the reduction of an ARC contract by \$27,500; the elimination of funding (\$67,500) for Detroit/Wayne County CMHSP contract with Michigan Public Health Institute; the elimination of funding (\$78,600) for 1.0 housing position; the elimination of funding (\$67,000) for 1.0 vacant Office of Recipient Rights position; the reduction of CSS&M expenditures by \$10,000; and federalizing Allegan CMH contract from \$57,000 in Medicaid to Real Choice grant.

Funds for Protection and Advocacy Services are reduced by \$31,000 which represented a 4% reduction for line item.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS (HEALTH)						
Full-time equated classified positions	103.5	112.0	112.0	112.0	112.0	112.0
Mental health/substance abuse program administration-	11,379,700	12,590,600	12,160,900	12,590,600	11,959,200	11,959,200
* positions in above line	103.5	111.0	111.0	111.0	111.0	111.0
Consumer involvement program	189,100	189,100	0	189,100	189,100	189,100
Gambling addiction--* FTE positions	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
* positions in above line	0.0	1.0	1.0	1.0	1.0	1.0
Protection and advocacy services support	777,400	746,400	777,400	746,400	777,400	777,400
Mental health initiatives for older persons	1,349,200	1,049,200	1,049,200	1,049,200	1,049,200	1,049,200
Community residential and support services	3,311,800	2,971,200	2,971,200	2,971,200	2,971,200	2,971,200
Highway safety projects	1,837,200	750,000	750,000	750,000	750,000	750,000
Federal and other special projects	2,746,000	3,895,400	3,895,400	3,895,400	3,895,400	3,895,400
Family support subsidy	16,680,700	17,935,000	17,935,000	17,935,000	17,935,000	17,935,000
Housing and support services	5,923,000	7,237,200	7,237,200	7,237,200	7,237,200	7,237,200
GROSS APPROPRIATION	47,694,100	50,864,100	50,276,300	50,864,100	50,263,700	50,263,700
Appropriated from:						
Federal revenues:						
Total federal revenues	29,636,400	32,310,500	32,202,200	32,310,500	32,310,500	32,310,500
Special revenue funds:						
Total private revenues	190,000	190,000	190,000	190,000	190,000	190,000
Total other state restricted revenues	3,682,300	4,127,900	4,127,900	4,127,900	4,127,900	4,127,900
State general fund/general purpose	14,185,400	14,235,700	13,756,200	14,235,700	13,635,300	13,635,300

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS (HEALTH)

The appropriation for Medicaid Mental Health Services is decreased by \$55,400 Gross (\$24,000 GF/GP) to correct FY 2002-03 changes in utilization of days of care at state facilities by CMHSPs. The GF/GP is redirected to CMHSP, Purchase of State Services Contracts. The budget includes a reduction of \$1,698,000 in the federal Medicaid revenue supporting Medicaid Mental Health Services, with a corresponding increase of \$1,625,900 in GF/GP and \$72,100 in local match revenue, due to a change in the Medicaid match rate from 56.71% to 56.59%.

Funds for Medicaid Mental Health Services are increased by \$33,500,000 Gross (\$14,542,400 GF/GP) assuming a caseload of 1,327,300 Medicaid eligibles for FY 2005-06. Funds for Medicaid Mental Health Services are increased by \$129,016,200 Gross (\$3,380,100 GF/GP) to reflect slightly more than a 2.4% capitation rate increase due to a 6% provider tax on specialty prepaid health plans. The state restricted revenue supporting Medicaid Mental Health Services is increased by \$42,066,600 Gross, with a corresponding reduction in GF/GP, based on implementation of a 6% provider tax on specialty prepaid health plans. State restricted revenue of \$3.5 million was replaced with GF/GP for Medicaid Mental Health Services since a quality assurance assessment program (QAAP) for group home beds for developmentally disabled was not implemented in the FY 2004-05 enacted budget. This QAAP program did not meet the federal requirement that 85% of the beds be specialized.

The appropriation for Community Mental Health Non-Medicaid Services is reduced by \$84,300 Gross (all GF/GP) to correct 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 appropriation for Community Mental Health Non-Medicaid Services is decreased by \$1,010,400 Gross (all GF/GP) to correct FY 2004-05 and projected FY 2005-06 changes in utilization of days of care at state facilities by CMHSPs. The GF/GP is redirected to CMHSP, Purchase of State Services Contracts. Funds totaling \$340,600 Gross (all GF/GP) are transferred from Community Residential and Support Services to Community Mental Health Non-Medicaid Services for 3 residential leases in Macomb County and 14 residential leases in Oakland County that expired. Lease/rental revenue of \$1,582,400 associated with Macomb-Oakland Regional Center is replaced with GF/GP since this property was conveyed to a nonprofit organization pursuant to Public Act 440 of 2002.

The enacted budget includes a decrease of \$36,000 in Title XXI revenue supporting Medicaid Adult Benefits Waiver, with a corresponding increase in GF/GP, due to a change in the federal match rate from 69.70% to 69.61%.

The enacted budget includes no appropriation changes for Multicultural Services.

A reduction of \$34,500 is included in the enacted budget for the federal Medicaid revenue supporting Medicaid Substance Abuse Services, with a corresponding increase in GF/GP, due to a change in the Medicaid match rate from 56.71% to 56.59%. Funds for Medicaid Substance Abuse Services are increased by \$900,000 Gross (\$390,700 GF/GP) due to a projected caseload of 1,267,200 in FY 2004-05. The appropriation for Medicaid Substance Abuse Services is increased by \$1,100,000 Gross (\$477,500 GF/GP) anticipating a caseload of 1,327,300 in FY 2005-06. The appropriation for Medicaid Substance Abuse Services is increased by \$2,754,400 Gross (\$71,800 GF/GP) to reflect slightly more than a 2.4% capitation rate increase based on a 6% provider tax on specialty prepaid health plans. The state restricted revenue supporting Medicaid Substance Abuse Services is increased by \$885,300, with a corresponding reduction in GF/GP, based on implementation of a 6% provider tax on specialty prepaid health plans.

The enacted budget includes no changes for Respite Services.

The budget redirects \$24,000 GF/GP to CMHSP, Purchase of State Services Contracts from Medicaid Mental Health Services and \$84,300 to CMHSP, Purchase of State Services Contracts from Community Mental Health Non-Medicaid Services to correct FY 2002-03 changes in utilization of days of care by CMHSPs at state facilities. The budget redirects \$1,010,400 Gross (all GF/GP) from Medicaid Mental Health Services to CMHSP, Purchase of State Services Contracts to correct FY 2004-05 and recognize anticipated FY 2005-06 changes in days of care utilized by CMHSPs at state facilities. The appropriation for CMHSP, Purchase of State Services Contracts is increased by \$66,900 Gross (all GF/GP) to reflect the change in the federal Medicaid match rate from 56.71% to 56.59% for state psychiatric hospitals and center for persons with developmental disabilities. Funds for CMHSP, Purchase of State Services Contracts are increased by \$1,254,500 Gross (all GF/GP) to recognize a 22.8% increase in pharmacy costs for state facilities.

Funding for CMHSP, Purchase of State Services Contracts is increased by \$6,322,000 Gross (all GF/GP) to restore FY 2004-05 employee-related savings and finance economic increases for 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 have not been increased for FY 2005-06 negotiated salary and wage increases for employees of state psychiatric hospitals and center for persons with developmental disabilities. Funds for CMHSP, Purchase of State Services Contracts are reduced by \$25,200 Gross (all GF/GP) anticipating additional savings at state facilities due to consolidating Human Resources functions into the Department of Civil Services' Call Center. Correcting the distribution of split pay and early retirement savings contained in Public Act 349 of 2004 for employees of state facilities, funds for CMHSP, Purchase of State Services Contracts are reduced by \$616,100 Gross (all GF/GP). Pursuant to the Leadership target agreement, funds for CMHSP, Purchase of State Services Contracts are reduced by \$999,000 Gross (all GF/GP) to recognize group insurance savings for employees of state facilities. Pursuant

to the Leadership target agreement, funds for CMHSP, Purchase of State Services Contracts are reduced by \$2,141,300 Gross (all GF/GP) to recognize contract information technology savings at state facilities.

The enacted budget includes no changes for Civil Service Charges.

Funds for the Federal Mental Health Block Grant are increased by \$9,400 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. Funds for the Federal Mental Health Block Grant are not increased for the FY 2005-06 negotiated salary and wage increases for employees. Funds for the Federal Mental Health Block Grant are increased by \$4,700 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for the Federal Mental Health Block Grant are decreased by \$300 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for the Federal Mental Health Block Grant are increased by \$4,800 Gross (\$0 GF/GP) for employees' insurance costs.

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

The appropriation for Community Substance Abuse Prevention, Education, and Treatment Programs is decreased by \$2,500 due to a change in the Title XXI match rate from 69.71% to 69.61%. There is sufficient GF/GP supporting the line item to account for the federal match rate change. General Fund/General Purpose funds totaling \$124,200 for Community Substance Abuse Prevention, Education, and Treatment Programs is replaced with substance abuse licensing fees and fines revenue from Mental Health/Substance Abuse Program Administration to account more efficiently for revenue. Federal funds for Community Substance Abuse Prevention, Education, and Treatment Programs are increased by \$2,251,000 to recognize a Strategic Prevention Framework grant from the federal Substance and Mental Health Services Administration. Funds will be used to assist the state in preventing the onset of and reduce the progression of underage drinking. The grant funds will also be used to reduce substance abuse problems in communities, and build prevention capacity and infrastructure on both the state and community level. The appropriation for Community Substance Abuse Prevention, Education, and Treatment Programs is increased by \$200,000 Gross (\$0 GF/GP) to recognize the carry forward of substance abuse licensing fees and fines revenue. The funds will be used to help meet the maintenance of effort requirement for the federal substance abuse prevention and treatment block grant.

The federal Medicaid revenue supporting the Children's Waiver Home Care Program is reduced by \$23,500, with a corresponding increase in GF/GP, due to the change in the federal Medicaid match rate from 56.71% to 56.59%.

The federal Medicaid revenue supporting Omnibus Reconciliation Act Implementation is reduced by \$1,400, with a corresponding increase in GF/GP, due to the change in the federal Medicaid match rate from 56.71% to 56.59%. Funds

for Omnibus Reconciliation Act Implementation are increased by \$18,900 Gross (\$5,000 GF/GP) to restore FY 2004-05 employee-related savings. Funds for Omnibus Reconciliation Act Implementation are not increased for employees' negotiated salaries and wage increases for FY 2005-06. Funds for Omnibus Reconciliation Act Implementation are increased by \$15,900 Gross (\$5,600 GF/GP) for employees' defined benefit retirement costs. Funds for Omnibus Reconciliation Act Implementation are decreased by \$3,200 Gross (\$1,400 GF/GP) for employees' defined contribution retirement costs. Funds for Omnibus Reconciliation Act Implementation are increased by \$7,300 Gross (\$2,800 GF/GP) for employees' insurance costs. The federal revenue authorization for Omnibus Reconciliation Act Implementation is increased by \$620,000 based upon FY 2003-04 actual expenditures for Preadmission Screening and Annual Resident Review (PASARR) of individuals in nursing homes and for active treatment. Pursuant to the Leadership target agreement, funds for Omnibus Reconciliation Act Implementation are decreased by \$2,300 Gross (all GF/GP) to recognize group insurance savings for employees. Pursuant to the Leadership target agreement, funds for Omnibus Reconciliation Act Implementation are decreased by \$988,200 Gross (all GF/GP) to recognize contract information technology savings.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

The appropriation for Medicaid Mental Health Services is reduced by \$5,880,200 Gross (all GF/GP) anticipating approval of a 6% provider tax on specialty prepaid health plans in which the reduction is offset.

The appropriation for Medicaid Substance Abuse Services is reduced by \$119,800 Gross (all GF/GP) anticipating approval of a 6% provider tax on specialty prepaid health plans in which the reduction is offset.

The appropriation for CMHSP, Purchase of State Services is reduced by \$2,330,000 Gross (all GF/GP) to recognize savings achieved by terminating limited term employees and reducing overtime costs for employees in state facilities.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

The appropriation for Medicaid Mental Health Services is increased by \$24,980,200 Gross (\$0 GF/GP) reflecting a capitation rate increase due to a 6% provider tax on specialty prepaid health plans. This increase also offsets the reduction contained in Executive Order 2005-7.

The appropriation for Community Mental Health Non-Medicaid Services is reduced by \$1.4 million Gross (all GF/GP). The funds are then redirected to CMHSP, Purchase of State Services Contracts since CMHSPs are not projected to spend mental health risk dollars set aside in FY 2004-05.

The appropriation for Medicaid Substance Abuse Services is increased by \$509,800 Gross (\$0 GF/G) reflecting a capitation rate increase due to a 6% provider tax on specialty prepaid health plans. This increase also offsets the reduction contained in Executive Order 2005-7.

The appropriation for CMHSP, Purchase of State Services Contracts is increased by \$1.4 million (all GF/GP). These funds have been redirected from Community Mental Health Non-Medicaid Services since CMHSPs are not projected to spend mental health risk dollars set aside in FY 2004-05. The increase partially offsets the reduction contained in Executive Order 2005-7.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS (HEALTH)						
Full-time equated classified positions	9.5	9.5	9.5	9.5	9.5	9.5
Medicaid mental health services	1,414,985,200	1,569,659,400	1,569,659,400	1,569,659,500	1,577,446,000	1,577,446,000
Community mental health non-Medicaid services	313,352,400	312,598,300	292,598,300	292,598,200	312,598,300	312,598,300
Medicaid adult benefits waiver	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Multicultural services	4,963,800	3,663,800	3,563,800	3,663,800	4,963,800	4,963,800
Medicaid substance abuse services	28,732,300	33,321,400	33,321,400	33,321,400	33,486,700	33,486,700
Respite services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CMHSP, purchase of state services contracts	120,746,800	129,483,700	125,706,500	129,483,700	125,727,300	125,727,300
Civil service charges	1,765,500	1,765,500	1,765,500	1,765,500	1,765,500	1,765,500
Federal mental health block grant--* FTE positions	15,326,600	15,345,200	15,335,900	15,345,200	15,345,200	15,345,200
* positions in above line	2.5	2.5	2.5	2.5	2.5	2.5
State disability assistance program substance abuse se	2,509,800	2,509,800	2,259,800	2,509,800	2,509,800	2,509,800
Community substance abuse prevention, education, and	82,770,600	85,219,100	84,719,100	85,219,100	85,219,100	85,219,100
Children's waiver home care program	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800
Omnibus reconciliation act implementation--* FTE posit	12,807,300	13,466,200	13,446,700	13,466,200	12,475,700	12,475,700
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0
GROSS APPROPRIATION	2,058,510,100	2,227,582,200	2,202,926,200	2,207,582,200	2,232,087,200	2,232,087,200
Appropriated from:						
Federal revenues:						
Total federal revenues	946,153,500	1,037,401,100	1,037,378,300	1,037,401,100	1,041,901,100	1,041,901,100
Special revenue funds:						
Total local revenues	26,000,000	26,072,100	26,072,100	26,072,100	26,072,100	26,072,100
Total other state restricted revenues	6,542,400	90,533,900	90,533,900	90,533,900	98,485,800	98,485,800
State general fund/general purpose	1,079,814,200	1,073,575,100	1,048,941,900	1,053,575,100	1,065,628,200	1,065,628,200

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

Funds and FTE positions authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$108,300 Gross (all CMHSP, Purchase of State Services Contracts dollars) and 1.6 to correct FY 2002-03 days of care utilized at the facilities by CMHSPs. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$3,141,100 Gross (\$1,010,400 CMHSP, Purchase of State Services Contracts dollars) to correct FY 2004-05 and recognize anticipated FY 2005-06 changes in the days of care utilized at the facilities by CMHSPs. In conjunction with this adjustment, the FTEs supporting state psychiatric hospitals and center for persons with developmental disabilities are reduced by 90.3.

Included in the budget is a reduction of \$66,900 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, due to a change in the federal Medicaid match rate from 56.71% to 56.59%. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$1,800,700 Gross (\$1,254,500 CMHSP, Purchase of State Services Contracts dollars) for pharmacy costs. The adjustment represents a 22.8% increase over FY 2004-05 appropriated funds for pharmacy costs. Additional savings of \$68,100 Gross (\$25,200 CMHSP, Purchase of State Services Contract dollars) and the elimination of 1.0 FTE position are anticipated for state psychiatric hospitals and center for persons with developmental disabilities due to the consolidation of the Human Resources into the Department of Civil Service's Call Center.

Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$5,003,300 Gross (\$3,739,500 CMHSP, Purchase of State Services Contracts dollars) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for employees' negotiated salary and wage increases for FY 2005-06. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$2,491,900 Gross (\$1,780,000 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 decreased by \$1,583,100 Gross (\$1,039,600 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 \$2,625,200 Gross (\$1,842,100 CMHSP, Purchase of State Services Contracts dollars) for employees' insurance costs.

Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$616,100 Gross (all CMHSP, Purchase of State Services Contracts dollars) to correct the distribution of split pay and early retirement savings contained in Public Act 349 of 2004. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$999,000 Gross (all CMHSP, Purchase of State Services Contracts dollars) to recognize group insurance savings pursuant to the Leadership target agreement. Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$2,141,300 Gross (all CMHSP, Purchase of State Services Contracts dollars) to recognize contract information technology savings pursuant to the Leadership target agreement.

Funds for the Forensic Center are increased by \$344,400 Gross (\$319,000 GF/GP) for pharmacy costs which is 22.8% greater than FY 2004-05 appropriated costs for state hospitals and centers. Funds for Forensic Center are increased by \$1,359,100 Gross (\$1,343,500 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for the negotiated salary and wage increases for employees in FY 2005-06. Funds for the Forensic Center are increased by \$200,800 Gross (\$184,200 GF/GP) for employees' defined benefit retirement costs. Funds for the Forensic Center are decreased by \$475,800 Gross (\$423,500 GF/GP) for employees' defined contribution retirement costs. Funds for the Forensic Center are increased by \$653,500 Gross (\$607,600 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 \$613,800 Gross (\$567,600 GF/GP) for employees' insurance costs. Funds for the Forensic Center are increased by \$13,400 Gross (all GF/GP) to correct the Human Resources optimization savings included in the FY 2004-05 budget. The federal Medicaid revenue of \$600 for the Forensic Center is replaced with national school lunch revenue to correct for actual revenue. Funds for the Forensic Center are reduced by \$380,300 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement. Funds for the Forensic Center are decreased by \$166,900 Gross (all GF/GP) to correct the distribution of split pay and early retirement savings contained in Public Act 349 of 2004.

The interdepartmental grant funds and FTE positions for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$38,705,000 and 390.2 due to the transfer of responsibility for non-clinical services for mentally ill prisoners. The Department of Community Health continues to have responsibility for mental health clinical services for prisoners. The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$13,400 to correct Human Resources optimization savings included in the enacted budget for FY 2004-05. The savings should have been associated with this line item instead of the Forensic Center. The interdepartmental grant funds and FTE positions for the Forensic Mental Health Services Provided to the

Department of Corrections line item are reduced by \$68,100 and 1.0 due to additional savings realized by the consolidation of the Human Resources functions into the Department of Civil Service's Call Center.

The authorization for Forensic Mental Health Services Provided to the Department of Corrections is increased by \$2,031,000 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. The authorization for Forensic Mental Health Services Provided to the Department of Corrections is increased by \$67,300 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 \$151,100 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 \$693,300 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 is increased by \$396,300 Gross (\$0 GF/GP) for employees' insurance costs. Funds for Forensic Mental Health Services Provided to the Department of Corrections are reduced by \$395,400 Gross (\$0 GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement.

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 for Special Maintenance and Equipment.

Funds for Purchase of Medical Services for Residents of Hospitals and Centers are increased by \$687,400 Gross (all GF/GP) due to increased costs of overnight care at private hospitals.

Funds for Closed Site, Transition, and Related Costs are increased by \$22,100 Gross (all GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. The authorization for Closed Site, Transition, and Related Costs is increased by \$12,400 Gross (all GF/GP) for employees' defined benefit retirement costs. The authorization for Closed Site, Transition, and Related Costs is reduced by \$1,300 Gross (all GF/GP) for employees defined contribution retirement costs. The authorization for Closed Site, Transition, and Related Costs is increased by \$7,200 Gross (all GF/GP) for employees' insurance costs. The authorization for Closed Site, Transition, and Related Costs is reduced by \$3,800 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement.

The enacted budget includes no changes for Severance Pay.

The enacted budget includes no changes for Gifts and Bequests for Patient Living and Treatment Environment.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Implementing Executive Order 2005-7 in which funds for CMHSP, Purchase of State Services Contracts are reduced by \$2,330,000 and Public Act 11 of 2005 in which funds for CMHSP, Purchase of State Services Contracts are increased by \$1.4 million, the authorization for Walter P. Reuther Psychiatric Hospital is reduced by \$930,000.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

The federal, local, and state restricted revenue authorizations for Caro Regional Mental Health Center and Kalamazoo Psychiatric hospital are increased by \$1.4 million to recognize increased patient reimbursement revenue and cover projected costs at these facilities.

The federal Medicaid revenue authorization for Mount Pleasant Center is increased by \$1.6 million, enabling the Department to pay for the hiring of 39.0 direct care staff that was required to maintain federal certification at this facility. If this facility is not federally certified, it will result in a loss of \$14.5 million in federal Medicaid revenue.

The private revenue authorization for Gifts and Bequests for Patient Living and Treatment Environment is increased by \$400,000 to recognize the carry forward of this revenue. The increased revenue will be expended at various state operated facilities for recreational, educational, and therapeutic purchases.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06 P.A. 154 of 2005 (H.B. 4831) DEPARTMENT OF COMMUNITY HEALTH	COMM. HEALTH YEAR-TO-DATE 10-Feb-05	RECOMMEND. 10-Feb-05 (HB 4379)	RECOMMEND. 9-Jun-05 (HB 4831)	RECOMMEND. 14-Jun-05 (SB 267)	BILL 21-Sep-05 (HB 4831)	FY 2005-06 ENACTED 30-Sep-05 (HB 4831)
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH						
Total average population	1,102.0	1,135.0	1,135.0	1,135.0	1,135.0	1,135.0
Full-time equated classified positions	3,457.1	2,976.2	2,976.2	2,976.2	2,976.2	2,976.2
Caro regional mental health center - psychiatric hospital	39,681,300	41,042,600	39,732,000	41,042,600	40,325,200	40,325,200
* positions in above line	529.7	475.7	475.7	475.7	475.7	475.7
Average population	192.0	205.0	205.0	205.0	205.0	205.0
Kalamazoo psychiatric hospital - adult--* FTE positions	35,953,000	41,925,900	40,697,600	41,925,900	41,040,900	41,040,900
* positions in above line	500.4	518.1	518.1	518.1	518.1	518.1
Average population	184.0	200.0	200.0	200.0	200.0	200.0
Walter P. Reuther psychiatric hospital - adult--* FTE positions	40,877,900	41,123,100	40,403,500	41,123,100	40,211,100	40,211,100
* positions in above line	477.9	444.6	444.6	444.6	444.6	444.6
Average population	242.0	240.0	240.0	240.0	240.0	240.0
Hawthorn center - psychiatric hospital - children and adolescents	19,014,400	20,542,300	20,202,600	20,542,300	20,077,900	20,077,900
* positions in above line	226.2	224.4	224.4	224.4	224.4	224.4
Average population	67.0	66.0	66.0	66.0	66.0	66.0
Mount Pleasant center - developmental disabilities--* FTE positions	35,146,100	39,558,100	38,271,500	39,558,100	38,780,500	38,780,500
* positions in above line	514.3	496.0	496.0	496.0	496.0	496.0
Average population	192.0	199.0	199.0	199.0	199.0	199.0
Center for forensic psychiatry--* FTE positions	44,709,200	47,418,400	46,075,800	47,418,400	46,871,200	46,871,200
* positions in above line	493.0	493.0	493.0	493.0	493.0	493.0
Average population	225.0	225.0	225.0	225.0	225.0	225.0
Forensic mental health services provided to the department	68,687,700	33,240,200	31,570,800	33,240,200	32,844,800	32,844,800
* positions in above line	704.6	313.4	313.4	313.4	313.4	313.4
Revenue recapture	750,000	750,000	750,000	750,000	750,000	750,000
IDEA, federal special education	120,000	120,000	120,000	120,000	120,000	120,000
Special maintenance and equipment	335,300	335,300	335,300	335,300	335,300	335,300
Purchase of medical services for residents of hospitals and clinics	1,358,200	2,045,600	2,045,600	2,045,600	2,045,600	2,045,600
Closed site, transition, and related costs--* FTE positions	601,000	641,400	621,200	641,400	637,600	637,600
* positions in above line	11.0	11.0	11.0	11.0	11.0	11.0
Severance pay	216,900	216,900	216,900	216,900	216,900	216,900
Gifts and bequests for patient living and treatment environment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
GROSS APPROPRIATION	288,451,000	269,959,800	262,042,800	269,959,800	265,257,000	265,257,000
Appropriated from:						
Interdepartmental grant revenues:						
Interdepartmental grant from the department of corrections	68,687,700	33,240,200	31,570,800	33,240,200	32,844,800	32,844,800
Federal revenues:						
Total federal revenues	32,213,900	34,070,500	33,418,600	34,070,500	34,070,500	34,070,500
Special revenue funds:						
CMHSP, purchase of state services contracts	120,746,800	129,483,700	125,706,500	129,483,700	125,727,300	125,727,300
Other local revenues	13,853,500	15,146,200	14,845,300	15,146,200	15,146,200	15,146,200
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total other state restricted revenues	8,426,600	10,157,100	9,966,400	10,157,100	10,157,100	10,157,100
State general fund/general purpose	43,522,500	46,862,100	45,535,200	46,862,100	46,311,100	46,311,100

PUBLIC HEALTH

	FY 2004-05	FY 2005-06				
		EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
PUBLIC HEALTH APPROPRIATION SUMMARY:						
Full-time equated classified positions	843.5	935.5	921.0	935.5	922.0	922.0
GROSS APPROPRIATION	497,672,300	508,321,400	483,615,600	502,945,200	503,637,400	503,637,400
Interdepartmental grant revenues:						
Total interdepartmental grants and intradepartmental tra	1,095,100	1,245,200	1,224,000	1,245,200	1,245,200	1,245,200
ADJUSTED GROSS APPROPRIATION	496,577,200	507,076,200	482,391,600	501,700,000	502,392,200	502,392,200
Federal revenues:						
Total federal revenues	306,314,700	314,818,700	309,991,200	314,818,700	311,287,300	311,287,300
Special revenue funds:						
Total local revenues	0	150,000	150,000	0	0	0
Total private revenues	53,080,500	57,139,200	57,136,600	56,742,900	56,742,900	56,742,900
Total other state restricted revenues	68,665,900	71,689,700	53,046,300	63,613,400	68,745,300	68,745,300
State general fund/general purpose	68,516,100	63,278,600	62,067,500	66,525,000	65,616,700	65,616,700

PUBLIC HEALTH ADMINISTRATION (HEALTH)

The Executive Administration line item is renamed to "Public Health Administration". The line item receives employee-related economic increases of \$196,600 Gross (\$171,700 GF/GP) for defined contribution retirement costs, and \$16,300 Gross (\$13,300 GF/GP) for insurance costs. A decrease of \$196,700 Gross (\$168,000 GF/GP) is made to reflect a reduction in defined benefit retirement costs. Funds totaling \$64,900 Gross (\$58,600 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Administrative funding for contractual services, supplies and materials is reduced by \$20,000 Gross (all GF/GP). The GF/GP authorization is reduced by \$30,000 to correct the distribution of split pay and early retirement savings included in the FY 2004-05 budget, Public Act 349 of 2004. Pursuant to the Leadership target agreement, the budget includes a \$13,900 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

There are no changes to the Minority Health Grants and Contracts line item.

The Vital Records and Health Statistics line item receives employee-related economic increases of \$64,300 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$84,900 Gross (\$0 GF/GP) for insurance costs. A decrease of \$34,800 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$168,000 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Federal funds to the line item are increased by \$217,100 Gross (\$0 GF/GP) from the cancer registry grant.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Executive Administration line item by \$20,000 Gross (all GF/GP) for FY 2004-05. The savings are obtained by reducing expenditures for contractual services, supplies and materials.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 106. PUBLIC HEALTH ADMINISTRATION (HEALTH)						
Full-time equated classified positions	83.4	83.4	83.4	83.4	83.4	83.4
Executive administration--* FTE positions	1,667,900	0	0	0	0	0
* positions in above line	11.0	0.0	0.0	0.0	0.0	0.0
Public health administration--* FTE positions	0	1,729,000	1,448,400	1,729,000	1,685,100	1,685,100
* positions in above line	0.0	11.0	11.0	11.0	11.0	11.0
Minority health grants and contracts	1,550,000	1,550,000	650,000	650,000	1,550,000	1,550,000
Vital records and health statistics--* FTE positions	6,959,300	7,458,800	7,317,600	7,458,800	7,458,800	7,458,800
* positions in above line	72.4	72.4	72.4	72.4	72.4	72.4
GROSS APPROPRIATION	10,177,200	10,737,800	9,416,000	9,837,800	10,693,900	10,693,900
Appropriated from:						
Interdepartmental grant revenues:						
Interdepartmental grant from the department of human s	689,100	710,500	699,800	710,500	710,500	710,500
Federal revenues:						
Total federal revenues	2,479,400	2,765,100	2,730,800	2,765,100	2,765,100	2,765,100
Special revenue funds:						
Total other state restricted revenues	5,622,300	5,764,600	4,821,200	4,864,600	5,820,200	5,820,200
State general fund/general purpose	1,386,400	1,497,600	1,164,200	1,497,600	1,398,100	1,398,100

HEALTH REGULATORY SYSTEMS
RENAMED HEALTH POLICY, REGULATION, AND PROFESSIONS (HEALTH)

Funds and FTE positions for Health Systems Administration are increased by \$1,161,400 Gross (\$0 GF/GP) and 5.0 to recognize a projected increase in revenue received from the inspection of Medicare participating nursing homes based on the prior year increase in revenue. Funds and FTE positions for Health Systems Administration are increased by \$600,000 Gross (\$0 GF/GP) and 1.0 to recognize an increase in fee revenue received from health facilities. Funds for Health Systems Administration are increased by \$9,200 Gross (\$0 GF/GP) to recognize an increase in radiological safety fee revenue. Funds for Health Systems Administration are reduced by \$310,000 Gross (all GF/GP) due to the elimination of funds for the inspection of outpatient substance abuse services programs. Funds for Health Systems Administration are reduced by \$150,000 Gross (all GF/GP) due to the elimination of some contracts. An identical savings amount was included in Executive Order 2005-7. The FTE positions supporting Health Systems Administration are increased by 3.6 to reflect the FY 2004-05 spending plan for line item. Funds for Health Systems Administration are increased by \$557,000 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. The adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Health Services Administration are increased by \$530,600 Gross (\$86,800 GF/GP) for employees' defined benefit retirement costs. Funds for Health Services Administration are decreased by \$58,100 Gross (\$24,800 GF/GP) for employees' defined contribution retirement costs. Funds for Health Systems Administration are increased by \$221,100 Gross (\$50,900 GF/GP) for employees' insurance costs. Funds for Health Systems Administration are reduced by \$35,700 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement. Funds for Health Systems Administration are reduced by \$329,400 Gross (all GF/GP) to recognize contract information technology savings pursuant to the Leadership target agreement.

The FTE positions supporting Emergency Medical Services Program State Staff are increased by .5 for trauma and emergency medical services for children. Due to the reorganization of the Department of Community Health, 3.0 FTE positions and \$365,800 Gross (\$0 GF/GP) are transferred from Health Professions to Emergency Medical Services Program State Staff. Funds for Emergency Medical Services Program State Staff are increased by \$12,000 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Emergency Medical Services Program State Staff are increased by \$14,100 Gross (\$7,500 GF/GP) for employees' defined benefit retirement costs. Funds for Emergency Medical Services Program State Staff are decreased by \$1,100 Gross (\$600 GF/GP) for employees' defined contribution retirement costs. Funds for Emergency Medical Services Program State Staff are increased by \$6,900 Gross (\$3,700

GF/GP) for employees' insurance costs. Funds for Emergency Medical Services Program State Staff are reduced by \$2,100 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement.

Funds for Radiological Health Administration are increased by \$27,500 Gross (\$0 GF/GP) to recognize an increase in radiological safety fee revenue. Funds for Radiological Health Administration are increased by \$60,900 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Radiological Health Administration are increased by \$67,300 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Radiological Health Administration are decreased by \$4,400 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Radiological Health Administration are increased by \$29,400 Gross (\$0 GF/GP) for employees' insurance costs.

Funds for Substance Abuse Program Administration are increased by \$5,600 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Substance Abuse Program Administration are increased by \$9,700 Gross (all GF/GP) for employees' defined benefit retirement costs. Funds for Substance Abuse Program Administration are increased by \$4,000 Gross (all GF/GP) for employees' insurance costs. Funds for Substance Abuse Program Administration are reduced by \$3,200 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement.

Funds for Emergency Medical Services Grants and Services are decreased by \$343,300 Gross (\$0 GF/GP) due to a reduction in the federal preventive health and health services block grant.

Due to the reorganization of the Department of Community Health, 4.0 FTE positions and \$390,000 Gross (\$0 GF/GP) are transferred from Health Professions to Departmental Administration and Management. The FTE positions supporting Health Professions are increased by 2.0 to recognize in-sourcing of a contract with the administrator of the Health Profession Recovery Program. This program, established through statute, supports the recovery of health professions from substance abuse/chemical addition or mental illness. The FTE positions supporting Health Professions are increased by 7.0 to reflect the FY 2004-05 spending plan for line item. Funds and FTE positions totaling \$365,800 Gross (\$0 GF/GP) and 3.0 are transferred from Health Professions to Emergency Medical Services Program State Staff for the licensing staff functions related to emergency medical services. Due to the reorganization of the Department of Community Health, 3.0 FTE positions and \$823,100 Gross (\$0 GF/GP) are transferred from Health Professions to a newly created line item entitled "Nurse Scholarships, Education, and Research Program". Funds for this new line item support the establishment and operation of a nurse continuing education program, a nursing scholarship program, and research and development

studies promoting and advancing the nursing profession. Funds for Health Professions are increased by \$267,200 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Health Professions are decreased by \$498,500 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Health Professions are reduced by \$388,700 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Health Professions that are supporting the Health Professions line item are increased by \$133,800 Gross (\$0 GF/GP) for employees' insurance costs. Health Professions Regulatory funds of \$5,000 are shifted to the Nurse Professional Fund.

Due to the reorganization of the Department of Community Health, 25.7 FTE positions and \$2,571,700 Gross (\$1,257,400 GF/GP) are transferred from Departmental Administration and Management to a newly created line item entitled "Health Policy, Regulation, and Administration within the renamed Health Regulatory Systems appropriation unit. The administrative staff will oversee the health policy, planning, access, licensing, and regulatory functions of the Department.

Due to the reorganization of the Department of Community Health, 3.0 FTE positions and \$823,100 Gross (\$0 GF/GP) is transferred from Health Professions to a newly created line item entitled "Nurse Scholarship, Education, and Research Program within the renamed Health Regulatory Systems appropriation unit. Funds will be used to support the establishment and operation of a nurse continuing education program, a nursing scholarship program, and research and development studies promoting and advancing the nursing profession.

Due to the reorganization of the Department of Community Health, 14.0 FTE positions and \$1,607,600 Gross (\$0 GF/GP) for Certificate of Need (CON) Program Administration are transferred from the Departmentwide Administration appropriation unit to the renamed Health Regulatory Systems appropriation unit. Funds for CON Program Administration are increased by \$32,500 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for CON Program Administration are increased by \$33,000 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for CON Program Administration are decreased by \$2,400 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for CON Program Administration are increased by \$12,700 Gross (\$0 GF/GP) for employees' insurance costs.

Due to the reorganization of the Department of Community Health, 1.0 FTE position and \$1,377,900 Gross (\$126,000 GF/GP) for Rural Health Services are transferred from the Departmentwide Administration appropriation unit to the renamed Health Regulatory Systems appropriation unit.

Due to the reorganization of the Department of Community Health, \$1,391,700 Gross (\$545,400 GF/GP) for Michigan Essential Health Provider Program is transferred from the Departmentwide Administration appropriation unit to the renamed Health Regulatory Systems appropriation unit. The line item is also renamed "Michigan Essential Health Provider".

Due to the reorganization of the Department of Community Health, 1.4 FTE positions and \$2,798,900 Gross (\$903,900 GF/GP) for Primary Care Services are transferred from the Departmentwide Administration appropriation unit to the renamed Health Regulatory Systems appropriation unit. The GF/GP support for Primary Care Services is reduced by \$511,900. Funds for Primary Care Services are increased by \$3,600 Gross (\$0 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Primary Care Services are increased by \$4,300 Gross (\$0 GF/GP) for employees' defined benefit retirement costs. Funds for Primary Care Services are decreased by \$300 Gross (\$0 GF/GP) for employees' defined contribution retirement costs. Funds for Primary Care Services are increased by \$1,400 for employees' insurance costs. Funds for Primary Care Services are increased by \$250,000 Gross (all GF/GP) for free health clinics.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Funds for Health Systems Administration are reduced by \$150,000 Gross (all GF/GP) due to the elimination of funds for some contracts.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS (HEALTH)						
Full-time equated classified positions	339.0	396.2	395.2	396.2	396.2	396.2
Health systems administration--* FTE positions	18,266,900	20,828,100	20,202,800	20,828,100	20,463,000	20,463,000
* positions in above line	184.0	193.6	193.6	193.6	193.6	193.6
Emergency medical services program state staff--* FTE	940,600	2,041,200	1,322,400	2,041,200	1,336,200	1,336,200
* positions in above line	5.0	8.5	8.5	8.5	8.5	8.5
Radiological health administration--* FTE positions	2,191,400	2,372,100	2,295,600	2,372,100	2,372,100	2,372,100
* positions in above line	25.0	25.0	25.0	25.0	25.0	25.0
Substance abuse program administration--* FTE positions	414,100	433,400	423,800	433,400	430,200	430,200
* positions in above line	4.0	4.0	4.0	4.0	4.0	4.0
Emergency medical services grants and services	1,046,200	0	702,900	0	702,900	702,900
Health professions--* FTE positions	15,095,500	13,030,400	13,273,400	13,030,400	13,030,400	13,030,400
* positions in above line	121.0	120.0	120.0	120.0	120.0	120.0
Health policy, regulation, and professions administration	0	2,571,700	2,571,700	2,571,700	2,571,700	2,571,700
* positions in above line	0.0	25.7	25.7	25.7	25.7	25.7
Nurse scholarship, education, and research program--*	0	823,100	673,100	823,100	823,100	823,100
* positions in above line	0.0	3.0	2.0	3.0	3.0	3.0
Certificate of need program administration--* FTE positions	0	1,683,400	1,645,600	1,683,400	1,683,400	1,683,400
* positions in above line	0.0	14.0	14.0	14.0	14.0	14.0
Rural health services--* FTE positions	0	1,251,900	1,251,900	1,377,900	1,377,900	1,377,900
* positions in above line	0.0	1.0	1.0	1.0	1.0	1.0
Michigan essential health provider	0	1,392,600	1,392,600	1,391,700	1,391,700	1,391,700
Primary care services--* FTE positions	0	2,296,000	2,291,400	2,296,000	2,546,000	2,546,000
* positions in above line	0.0	1.4	1.4	1.4	1.4	1.4
GROSS APPROPRIATION	37,954,700	48,723,900	48,047,200	48,849,000	48,728,600	48,728,600
Appropriated from:						
Interdepartmental grant revenues:						
Interdepartmental grant from treasury	0	113,900	110,800	113,900	113,900	113,900
Federal revenues:						
Total federal revenues	13,481,800	19,614,400	19,194,400	19,614,400	19,614,400	19,614,400
Special revenue funds:						
Total local revenues	0	150,000	150,000	0	0	0
Total private revenues	0	546,300	546,300	150,000	150,000	150,000
Total other state restricted revenues	19,082,100	21,581,900	21,396,800	21,581,900	21,581,900	21,581,900
State general fund/general purpose	5,390,800	6,717,400	6,648,900	7,388,800	7,268,400	7,268,400

INFECTIOUS DISEASE CONTROL (HEALTH)

The AIDS Prevention, Testing, and Care Programs line item receives employee-related economic increases of \$80,700 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$14,700 Gross (\$0 GF/GP) for insurance costs. A decrease of \$2,500 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$34,400 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. A reduction of \$500,000 Gross (\$0 GF/GP) is made to the line item to eliminate funding authorization for a new federal viral hepatitis integration grant that was not received. Federal funding is increased by \$1,057,000 Gross (\$0 GF/GP) from the Ryan White Title II grant for HIV/AIDS referral and care. An increase of \$594,800 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).

The Immunization Local Agreements line item is reduced by \$20,000 Gross (all GF/GP), eliminating a FY 2004-05 increase to provide tetanus and diphtheria immunization opportunities for persons age 65 and older who are residents of long-term care facilities. A net \$0 Gross (reduction of \$500,000 GF/GP) funding adjustment replaces \$500,000 of GF/GP funds with the same amount of funds available from interest income from the Pharmaceutical Products Fund, a fund related to the 1999 sale of the Michigan Biologic Products Institute.

The Immunization Program Management and Field Support line item receives employee-related economic increases of \$36,900 Gross (\$3,800 GF/GP) for defined benefit retirement costs, \$400 Gross (a reduction of \$9,200 GF/GP) for defined contribution retirement costs, and \$19,300 Gross (\$3,300 GF/GP) for insurance costs. Funds totaling \$42,500 Gross (\$9,500 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. One FTE and related funding of \$93,300 Gross (\$0 GF/GP) are transferred to this line item from the Family, Maternal, and Children's Health Services Administration line item to consolidate positions funded by the federal Immunization Program grant. Pursuant to the Leadership target agreement, the budget includes a \$2,100 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

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 \$67,200 Gross (\$19,300 GF/GP) for defined benefit retirement costs, and \$26,600 Gross (\$10,300 GF/GP) for insurance costs. A decrease of \$4,700 Gross (\$27,800 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$66,600 Gross (\$26,600 GF/GP) are restored that were eliminated for unspecified

employee-related savings in FY 2004-05. Administrative reductions of 1.0 FTE and \$75,000 Gross (all GF/GP) are made with the elimination of an unfilled partner notification position. Pursuant to the Leadership target agreement, the budget includes an \$8,100 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Immunization Local Agreements line item by \$500,000 Gross (all GF/GP) for FY 2004-05, a decrease of funding for vaccines. The funds are replaced with state restricted funds in a subsequent supplemental appropriation.

Executive Order 2005-7 reduces the Sexually Transmitted Disease Control Management and Field Support line item by \$75,000 Gross (all GF/GP) for FY 2004-05, which eliminates funds for a vacant position.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 11 increases the Immunization Local Agreements line item by \$500,000 Gross (\$0 GF/GP) for FY 2004-05. The increase is funded with available state restricted interest income from the Pharmaceutical Products Fund, and replaces \$500,000 of GF/GP funds that were eliminated from the line item by Executive Order 2005-7.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the AIDS Prevention, Testing, and Care Programs line item by \$4,200,000 Gross (\$0 GF/GP) for FY 2004-05, to recognize additional private revenue from pharmaceutical manufacturers for the voluntary rebates on AIDS and HIV medications used in the AIDS Drug Assistance Program (ADAP).

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 108. INFECTIOUS DISEASE CONTROL (HEALTH)						
Full-time equated classified positions	49.0	49.0	49.0	49.0	49.0	49.0
AIDS prevention, testing, and care programs--* FTE positions	30,222,900	31,502,000	31,438,300	31,502,000	31,502,000	31,502,000
* positions in above line	12.0	12.0	12.0	12.0	12.0	12.0
Immunization local agreements	14,010,300	14,010,300	13,115,300	14,010,300	13,990,300	13,990,300
Immunization program management and field support--* positions in above line	1,670,400	1,862,800	1,644,800	1,862,800	1,860,700	1,860,700
* positions in above line	14.0	15.0	15.0	15.0	15.0	15.0
Sexually transmitted disease control local agreements	3,494,900	3,494,900	3,494,900	3,494,900	3,494,900	3,494,900
Sexually transmitted disease control management and field support--* positions in above line	3,482,600	3,563,300	3,485,500	3,563,300	3,555,200	3,555,200
* positions in above line	23.0	22.0	22.0	22.0	22.0	22.0
GROSS APPROPRIATION	52,881,100	54,433,300	53,178,800	54,433,300	54,403,100	54,403,100
Appropriated from:						
Federal revenues:						
Total federal revenues	37,839,500	38,623,300	38,556,500	38,623,300	38,623,300	38,623,300
Special revenue funds:						
Total private revenues	2,655,700	3,250,500	3,250,500	3,250,500	3,250,500	3,250,500
Total other state restricted revenues	7,728,600	8,441,400	7,291,600	8,441,400	8,441,400	8,441,400
State general fund/general purpose	4,657,300	4,118,100	4,080,200	4,118,100	4,087,900	4,087,900

LABORATORY SERVICES (HEALTH)

There are no changes to the Bovine Tuberculosis line item.

The Laboratory Services line item receives employee-related economic increases of \$326,400 Gross (\$194,300 GF/GP) for defined benefit retirement costs, and \$150,100 Gross (\$92,800 GF/GP) for insurance costs. A decrease of \$25,000 Gross (\$3,200 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$307,000 Gross (\$204,800 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Two FTEs and federal funds of \$138,900 Gross (\$0 GF/GP) are added to the line item for a new federal grant award to study the prevalence and virulence of the foodborne Shiga toxin producing Escherichia coli (STEC) group of bacteria strains which can cause human disease. The line item is increased by \$233,100 Gross (\$0 GF/GP) to recognize additional state restricted laboratory services fee revenue from the statutorily-authorized annual inflationary increase to the newborn screening test fee. A net \$0 Gross (a reduction of \$58,100 GF/GP) funding adjustment is made to replace \$58,100 of GF/GP with state restricted Michigan Health Initiative Funds to consolidate MHI funding; the reverse corresponding adjustment is made to the Mental Health/Substance Abuse Program Administration line item. Administrative reductions of 2.0 FTEs and \$134,000 Gross (all GF/GP) are made with the elimination of two laboratory technician positions to achieve GF/GP savings. GF/GP funding is reduced by \$22,400 to correct the distribution of split pay and early retirement savings included in the FY 2004-05 budget, Public Act 349 of 2004. Pursuant to the Leadership target agreement, the budget includes a \$56,000 Gross (all GF/GP) reduction in anticipation of group insurance cost savings, and a \$329,400 Gross (all GF/GP) reduction in anticipation of contract and information technology cost savings.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Laboratory Services line item for FY 2004-05 by \$134,000 Gross (all GF/GP), which eliminates funds for two vacant positions to achieve GF/GP savings.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the Laboratory Services line item appropriation by \$848,000 Gross (\$0 GF/GP) for FY 2004-05 to recognize \$705,900 in additional state restricted laboratory services revenue from newborn screening test fees, and an increase of \$142,100 from the interdepartmental grant from the Department of Environmental Quality for ongoing laboratory analyses of fish tissue for chemical contaminants, used to develop fish consumption advisories and track environmental toxin levels.

	FY 2004-05	FY 2005-06				
		EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 109. LABORATORY SERVICES (HEALTH)						
Full-time equated classified positions	121.0	121.0	121.0	121.0	121.0	121.0
Bovine tuberculosis--* FTE positions	500,000	500,000	500,000	500,000	500,000	500,000
* positions in above line	2.0	2.0	2.0	2.0	2.0	2.0
Laboratory services--* FTE positions	14,380,400	15,376,900	14,975,300	15,376,900	14,969,100	14,969,100
* positions in above line	119.0	119.0	119.0	119.0	119.0	119.0
GROSS APPROPRIATION	14,880,400	15,876,900	15,475,300	15,876,900	15,469,100	15,469,100
Appropriated from:						
Interdepartmental grant revenues:						
Interdepartmental grant from environmental quality	406,000	420,800	413,400	420,800	420,800	420,800
Federal revenues:						
Total federal revenues	2,819,900	3,058,000	3,008,400	3,058,000	3,058,000	3,058,000
Special revenue funds:						
Total other state restricted revenues	4,785,800	5,232,800	5,154,900	5,232,800	5,232,800	5,232,800
State general fund/general purpose	6,868,700	7,165,300	6,898,600	7,165,300	6,757,500	6,757,500

EPIDEMIOLOGY (HEALTH)

The AIDS Surveillance and Prevention Program line item is increased by \$50,800 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. Federal funding increases (\$0 GF/GP) are made to the line item of \$481,300 for a new 4 year federal grant award for HIV/AIDS Morbidity and Risk Behavior Surveillance, and \$93,300 for a new 5 year federal grant award for Hazardous Substances Emergency Events Surveillance (HSEES) to reduce injury and death from hazardous substance events.

The Asthma Prevention and Control line item receives employee-related economic increases of \$3,000 Gross (\$2,800 GF/GP) for defined contribution retirement costs, and \$3,500 Gross (\$3,300 GF/GP) for insurance costs. Funds totaling \$4,000 Gross (\$3,700 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Pursuant to the Leadership target agreement, the budget includes a \$1,700 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

The Bioterrorism Preparedness line item receives employee-related economic increases of \$112,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$39,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$98,600 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$204,800 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is reduced by \$2,000,000 Gross (\$0 GF/GP) that had been added to the budget in FY 2004-05 to allow for the expenditure of available carryforward funds from the prior year federal Bioterrorism Preparedness grants. The line item is increased by 16.6 FTEs to adjust to the current actual number of FTEs supported by this appropriation; most of the FTE increase represents transfer of functions from contractual to in-house positions.

The Epidemiology Administration line item receives employee-related economic increases of \$102,800 Gross (\$46,700 GF/GP) for defined benefit retirement costs, \$1,600 Gross (a reduction of \$300 GF/GP) for defined contribution retirement costs, and \$46,100 Gross (\$21,000 GF/GP) for insurance costs. Funds totaling \$123,700 Gross (\$51,600 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Administrative funding for contractual services, supplies and materials is reduced by \$75,000 Gross (all GF/GP). New federal funding of \$65,000 Gross (\$0 GF/GP) is appropriated for a 2-year grant for "Impact of Exposure to Urban Air Toxics on Asthma in the Pediatric Medicaid Population in Dearborn Michigan". Private funds of \$52,500 from Emory University to conduct work related to "The Michigan PBB Cohort 30 Years Later: Endocrine Disruptor" are recategorized to federal funds, and a funding increase for the project is recognized of \$92,600, for a net \$92,600 Gross (\$0 GF/GP) increase; the Department is

a subcontractor to Emory University on this grant from the National Institute of Health. Pursuant to the Leadership target agreement, the budget includes a \$14,700 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

The Newborn Screening Follow-Up and Treatment Services line item receives employee-related economic increases of \$9,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$4,300 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$12,700 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$14,300 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by \$233,100 Gross (\$0 GF/GP) to recognize additional state restricted fee revenue from the statutorily-authorized annual inflationary increase to the newborn screening test fee. The line item is reduced by \$150,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for early hearing detection and screening programs. The line item is increased by 3.0 FTEs to adjust to the current actual number of FTEs supported by this appropriation

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

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Epidemiology Administration line item for FY 2004-05 by \$75,000 Gross (all GF/GP). The savings are obtained from reduction in administration support and downgrading one position.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the Epidemiology Administration line item appropriation by \$76,200 Gross (\$0 GF/GP) for FY 2004-05 to recognize a private funds grant from the Saginaw Bay Watershed Initiative Network for surveys of local persons who fish and their levels of local fish consumption, and to promote healthy choices of fish and wildlife consumption.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 110. EPIDEMIOLOGY (HEALTH)						
Full-time equated classified positions	107.9	141.0	127.5	141.0	127.5	127.5
AIDS surveillance and prevention program	1,887,800	2,513,200	2,513,200	2,513,200	2,513,200	2,513,200
Asthma prevention and control--* FTE positions	1,036,800	1,047,300	1,042,100	1,047,300	1,045,600	1,045,600
* positions in above line	2.3	2.3	2.3	2.3	2.3	2.3
Bioterrorism preparedness--* FTE positions	51,902,200	50,357,000	50,129,600	50,357,000	50,357,000	50,357,000
* positions in above line	59.5	76.1	76.1	76.1	76.1	76.1
Epidemiology administration--* FTE positions	6,233,600	10,221,800	6,453,300	10,221,800	6,575,700	6,575,700
* positions in above line	41.1	54.6	41.1	54.6	41.1	41.1
Newborn screening follow-up and treatment services--*	3,712,500	3,986,200	3,565,900	3,586,200	3,836,200	3,836,200
* positions in above line	5.0	8.0	8.0	8.0	8.0	8.0
Tuberculosis control and recalcitrant AIDS program	867,000	867,000	867,000	867,000	867,000	867,000
GROSS APPROPRIATION	65,639,900	68,992,500	64,571,100	68,592,500	65,194,700	65,194,700
Appropriated from:						
Federal revenues:						
Total federal revenues	59,642,500	62,712,600	58,779,600	62,712,600	59,081,200	59,081,200
Special revenue funds:						
Total private revenues	77,500	25,000	25,000	25,000	25,000	25,000
Total other state restricted revenues	3,893,500	4,174,700	3,750,700	3,774,700	4,024,700	4,024,700
State general fund/general purpose	2,026,400	2,080,200	2,015,800	2,080,200	2,063,800	2,063,800

LOCAL HEALTH ADMINISTRATION AND GRANTS (HEALTH)

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 \$19,500 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$11,900 Gross (\$0 GF/GP) for insurance costs. A decrease of \$400 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$23,700 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05.

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

The Local Public Health Operations line item is decreased by \$2,575,000 Gross (all GF/GP) to reduce funding provided to local public health departments for hearing and vision screening of school children by 50%. Hearing and vision screening are 2 of the 9 funded state/local cost-shared services provided by local public health departments.

The Medical Services Cost Reimbursement to Local Health Departments line item is increased by \$1,310,000 Gross (\$0 GF/GP) in anticipation of increased reimbursement of Medicaid costs incurred and cost-shared by local public health departments.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Local Public Health Operations line item for FY 2004-05 by \$677,000 Gross (all GF/GP). The savings are obtained from a 4% reduction of the grants to local public health departments effective May 1 through September 30, 2005, with discretion at the local level on how to apply the reduction to state/local cost-shared public health services.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS (HEALTH)						
Full-time equated classified positions	7.0	7.0	7.0	7.0	7.0	7.0
Implementation of 1993 PA 133, MCL 333.17015	100,000	100,000	100,000	100,000	100,000	100,000
Lead abatement program--* FTE positions	1,728,400	1,783,100	1,755,800	1,783,100	1,783,100	1,783,100
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0
Local health services	220,000	220,000	220,000	220,000	220,000	220,000
Local public health operations	40,618,400	35,468,400	35,468,400	38,043,400	38,043,400	38,043,400
Medical services cost reimbursement to local health de	1,800,000	3,110,000	3,110,000	3,110,000	3,110,000	3,110,000
GROSS APPROPRIATION	44,466,800	40,681,500	40,654,200	43,256,500	43,256,500	43,256,500
Appropriated from:						
Federal revenues:						
Total federal revenues	3,291,000	4,645,500	4,623,300	4,645,500	4,645,500	4,645,500
Special revenue funds:						
Total other state restricted revenues	480,900	491,100	486,000	491,100	491,100	491,100
State general fund/general purpose	40,694,900	35,544,900	35,544,900	38,119,900	38,119,900	38,119,900

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION (HEALTH)

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 reduced by \$110,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for Alzheimer's disease projects, which was a Leadership target agreement increase in the prior fiscal year.

The Cancer Prevention and Control Program line item receives employee-related economic increases of \$17,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$11,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$9,400 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$42,000 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by a net \$12,000 Gross (a reduction of \$418,600 GF/GP) to reflect an anticipated increase of \$430,600 from the federal Comprehensive Cancer Control grant, with a reduction of \$418,600 in the line item for GF/GP savings. The line item is decreased by \$600,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for cancer prevention projects, which was part of a Leadership target agreement increase to this line item in the prior fiscal year. Fund sourcing in the enacted budget reflects a \$0 Gross (\$0 GF/GP) net adjustment in which the line item is reduced by \$27,400 of state restricted Healthy Michigan Funds and increased by \$27,400 of federal funds. A reverse corresponding adjustment is made to the Smoking Prevention Program line item. These adjustments reflect legislative decisions made using Healthy Michigan Fund summary tables.

The Chronic Disease Prevention line item receives employee-related economic increases of \$14,000 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$4,900 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$2,500 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by a net \$400,000 Gross (a reduction of \$50,000 GF/GP) to reflect an increase of \$450,000 from the federal Physical Fitness and Nutrition grant, with a reduction of \$50,000 in the line item for GF/GP savings. The line item is increased by \$20,000 Gross (\$0 GF/GP) for a new 1-year award of federal CDC grant funds through the State of Illinois for participation in the Great Lakes Regional Stroke Network and development of a state plan and interstate collaboration. The line item is decreased by \$1,200,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds including \$900,000 for cardiovascular health projects and \$200,000 for osteoporosis projects, which were part of Leadership target

agreement increases to this line item in the prior fiscal year, and the entire Healthy Michigan Fund allocation of \$100,000 for child and adult arthritis.

The Diabetes and Kidney Program line item receives employee-related economic increases of \$30,200 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$11,600 Gross (\$0 GF/GP) for insurance costs. A decrease of \$2,300 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$28,600 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by \$38,000 Gross (\$0 GF/GP) to recognize an increase in the annual funding anticipated from the federal Diabetes Control grant.

The Health Education, Promotion, and Research Programs line item receives employee-related economic increases of \$25,900 Gross (a reduction of \$2,700 GF/GP) for defined benefit retirement costs, \$600 Gross (\$16,500 GF/GP) for defined contribution retirement costs, and \$9,700 Gross (\$5,800 GF/GP) for insurance costs. Funds totaling \$36,600 Gross (\$26,900 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is reduced by \$350,000 Gross (all GF/GP) to achieve GF/GP savings. Federal funding authorization is reduced by \$8,000 Gross (\$0 GF/GP) to reflect actual federal funds revenue anticipated. Pursuant to the Leadership target agreement, the budget includes a \$4,300 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

The Injury Control Intervention Project line item receives employee-related economic increases of \$3,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$1,100 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$2,700 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05.

The Michigan Parkinson's Foundation line item is eliminated with removal of the appropriation of \$200,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for Parkinson's Disease projects, which was a Leadership target agreement appropriation in the prior fiscal year. This line item was previously funded in FY 2000-01 and FY 2001-02, and funding re-established in FY 2004-05.

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

The Physical Fitness, Nutrition, and Health line item is reduced by \$100,000 Gross (all GF/GP) to achieve GF/GP savings. The line item is reduced by \$200,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for physical fitness, nutrition and health projects, which was part of a Leadership target agreement increase in the prior fiscal year.

The Public Health Traffic Safety Coordination line item receives employee-related economic increases of \$1,100 Gross (\$0 GF/GP) for defined benefit retirement costs, \$500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$1,800 Gross (\$0 GF/GP) for insurance costs. The line item is increased by \$17,000 Gross (\$0 GF/GP) and 1.7 FTEs to recognize an increase in federal funding anticipated from the Motor Vehicle Related Injuries grant.

The Smoking Prevention Program line item receives employee-related economic increases of \$18,900 Gross (\$0 GF/GP) for defined benefit retirement costs, \$4,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$17,000 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$37,500 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is reduced by \$1,100,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for smoking prevention projects, which was part of a Leadership target agreement increase in the prior fiscal year. Private funding is established in this line item with an \$85,000 Gross (\$0 GF/GP) appropriation of funds from the American Legacy Foundation under a new 3-year grant award to support a statewide smoking cessation hotline. Fund sourcing in the enacted budget reflects a \$0 Gross (\$0 GF/GP) net adjustment in which the line item is increased by \$27,400 of state restricted Healthy Michigan Funds and decreased by \$27,400 of federal funds. A reverse corresponding adjustment is made to the Cancer Prevention and Control Program line item. These adjustments reflect decisions made using Healthy Michigan Fund summary tables.

The Tobacco Tax Collection and Enforcement line item is reduced by \$200,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds that had been provided to the Department of Treasury to support tobacco tax collection functions. The enacted Department of Treasury budget includes replacement funding from another source.

The Violence Prevention line item receives employee-related economic increases of \$3,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$2,900 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$6,300 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by \$100,000 Gross (\$0 GF/GP) to recognize a new 2-year federal grant award (2004-2006) for Enhancing State Capacity to Address Child and Adolescent Health through Violence Prevention (ESCAPE).

FY 2004-05 SUPPLEMENTAL ACTIONS

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the Smoking Prevention Program line item by \$114,000 Gross (\$0 GF/GP) for FY 2004-05 to recognize private revenue for a new 3-year grant award from the American Legacy Foundation to support a statewide smoking cessation hotline.

	FY 2004-05	FY 2005-06				
	EXECUTIVE	HOUSE	SENATE	ENROLLED		
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION (HEALTH)						
Full-time equated classified positions	49.8	51.5	51.5	51.5	51.5	51.5
African-American male health initiative	106,700	106,700	106,700	106,700	106,700	106,700
AIDS and risk reduction clearinghouse and media camp	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000	1,576,000
Alzheimer's information network	550,000	440,000	150,000	440,000	440,000	440,000
Cancer prevention and control program--* FTE positions	14,743,800	14,824,200	12,174,800	13,310,900	14,236,200	14,236,200
* positions in above line	14.3	14.3	14.3	14.3	14.3	14.3
Chronic disease prevention--* FTE positions	5,334,300	5,375,700	3,816,800	3,202,500	4,575,700	4,575,700
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0
Diabetes and kidney program--* FTE positions	3,571,900	3,640,000	3,644,000	3,526,100	3,678,000	3,678,000
* positions in above line	9.1	9.1	9.1	9.1	9.1	9.1
Health education, promotion, and research programs--*	1,018,100	1,082,900	696,500	1,082,900	728,600	728,600
* positions in above line	9.3	9.3	9.3	9.3	9.3	9.3
Injury control intervention project--* FTE positions	520,100	527,900	524,000	527,900	527,900	527,900
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0
Michigan Parkinson's foundation	200,000	100,000	0	100,000	0	0
Morris Hood Wayne State University diabetes outreach	400,000	400,000	0	200,000	400,000	400,000
Physical fitness, nutrition, and health	1,000,000	1,000,000	0	325,000	700,000	700,000
Public health traffic safety coordination--* FTE positions	564,500	584,900	583,200	584,900	584,900	584,900
* positions in above line	0.0	1.7	1.7	1.7	1.7	1.7
Smoking prevention program--* FTE positions	6,414,600	6,277,500	3,619,000	5,026,600	5,477,500	5,477,500
* positions in above line	13.1	13.1	13.1	13.1	13.1	13.1
Tobacco tax collection and enforcement	810,000	610,000	610,000	610,000	610,000	610,000
Violence prevention--* FTE positions	1,779,600	1,892,300	1,886,000	1,892,300	1,892,300	1,892,300
* positions in above line	2.0	2.0	2.0	2.0	2.0	2.0
GROSS APPROPRIATION	38,589,600	38,438,100	29,387,000	32,511,800	35,533,800	35,533,800
Appropriated from:						
Federal revenues:						
Total federal revenues	18,440,700	19,655,800	19,572,100	19,655,800	19,655,800	19,655,800
Special revenue funds:						
Total private revenues	0	85,000	85,000	85,000	85,000	85,000
Total other state restricted revenues	18,168,700	17,589,200	8,645,100	11,662,900	14,689,200	14,689,200
State general fund/general purpose	1,980,200	1,108,100	1,084,800	1,108,100	1,103,800	1,103,800

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES (HEALTH)

The Childhood Lead Program line item receives employee-related economic increases of \$4,600 Gross (\$0 GF/GP) for defined benefit retirement costs, \$3,900 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$6,500 Gross (\$0 GF/GP) for insurance costs. Funds totaling \$14,700 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05.

There are no changes to the Dental Programs line item.

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

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

The Family, Maternal, and Children's Health Services Administration line item receives employee-related economic increases of \$112,300 Gross (\$59,800 GF/GP) for defined benefit retirement costs, and \$50,800 Gross (\$25,000 GF/GP) for insurance costs. A decrease of \$10,800 Gross (\$9,700 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$83,600 Gross (\$35,500 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is reduced by \$93,300 Gross (\$0 GF/GP) and 1.0 FTE with the transfer of a position and related funding to the Immunization Program Management and Field Support line item, to consolidate positions funded with federal Immunization grant monies. One FTE is added to the line item to adjust to current actual number of FTEs supported by this appropriation. Administrative reductions of \$75,000 Gross (all GF/GP) are made by reducing funding for contractual services, supplies and materials to achieve GF/GP savings. The line item is reduced by \$47,600 Gross (all GF/GP) to correct the distribution of split pay and early retirement savings included in the FY 2004-05 budget, Public Act 349 of 2004. Pursuant to the Leadership target agreement, the budget includes a \$17,400 Gross (all GF/GP) reduction in anticipation of group insurance cost savings, and a \$164,700 Gross (all GF/GP) reduction in anticipation of contract and information technology cost savings.

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

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

The Migrant Health Care line item is decreased by \$340,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for migrant health programs, which was an increase to this line item as part of a Leadership target agreement in the prior fiscal year.

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

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

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

The GF/GP funds in the School Health and Education Programs line item, \$500,000 Gross (all GF/GP), are transferred from this line to the Health Plan Services line item for adolescent school-based health clinics via contracts with Medicaid HMOs.

The Special Projects line item is reduced by \$991,000 Gross (\$0 GF/GP) with the completion of the 3-year federal Michigan Teen Outreach Program grant for sexual abstinence education; federal funds are now being awarded directly to local entities. The line item is increased by \$562,500 Gross (\$0 GF/GP) with a new 3-year Healthy Start Initiative federal grant award (2004-2007) for "Closing the Health Gap on Infant Mortality: African American-Focused Risk Reduction." A net \$0 Gross (\$0 GF/GP) adjustment is made to the line item with a \$100,000 reduction of state restricted Healthy Michigan Funds for infant mortality reduction projects, which was part of a Leadership target agreement increase in the prior fiscal year, and recognition of \$100,000 of federal Medicaid funding available to this project.

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

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Family, Maternal, and Children's Health Services Administration line item by \$75,000 Gross (all GF/GP) for FY 2004-05. The savings are obtained by reducing GF/GP expenditures for contractual services, supplies and materials and for contracts.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES (HEALTH)						
Full-time equated classified positions	45.4	45.4	45.4	45.4	45.4	45.4
Childhood lead program--* FTE positions	2,492,600	2,522,300	2,507,500	2,022,300	2,522,300	2,522,300
* positions in above line	5.8	5.8	5.8	5.8	5.8	5.8
Dental programs	485,400	335,400	335,400	485,400	485,400	485,400
Dental program for persons with developmental disabilities	151,000	151,000	151,000	151,000	151,000	151,000
Early childhood collaborative secondary prevention	524,000	524,000	0	524,000	524,000	524,000
Family, maternal, and children's health services administration	4,581,200	4,648,800	4,483,200	4,648,800	4,419,100	4,419,100
* positions in above line	39.6	39.6	39.6	39.6	39.6	39.6
Family planning local agreements	12,270,300	12,270,300	11,635,700	12,270,300	12,270,300	12,270,300
Local MCH services	7,264,200	7,264,200	7,018,100	7,264,200	7,264,200	7,264,200
Migrant health care	612,200	272,200	272,200	272,200	272,200	272,200
Pediatric AIDS prevention and control	1,176,800	1,176,800	1,176,800	1,176,800	1,176,800	1,176,800
Pregnancy prevention program	5,846,100	5,846,100	812,800	5,846,100	5,846,100	5,846,100
Prenatal care outreach and service delivery support	3,049,300	3,049,300	3,049,300	3,049,300	3,049,300	3,049,300
School health and education programs	1,000,000	500,000	500,000	500,000	500,000	500,000
Special projects	6,213,400	5,784,900	4,994,900	5,284,900	5,784,900	5,784,900
Sudden infant death syndrome program	321,300	321,300	321,300	321,300	321,300	321,300
GROSS APPROPRIATION	45,987,800	44,666,600	37,258,200	43,816,600	44,586,900	44,586,900
Appropriated from:						
Federal revenues:						
Total federal revenues	31,572,400	31,205,600	31,128,100	31,205,600	31,305,600	31,305,600
Special revenue funds:						
Total other state restricted revenues	8,904,000	8,414,000	1,500,000	7,564,000	8,464,000	8,464,000
State general fund/general purpose	5,511,400	5,047,000	4,630,100	5,047,000	4,817,300	4,817,300

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (HEALTH)

The Women, Infants, and Children Program Administration and Special Projects line item receives employee-related economic increases of \$127,500 Gross (\$0 GF/GP) for defined benefit retirement costs, and \$49,600 Gross (\$0 GF/GP) for insurance costs. A decrease of \$9,200 Gross (\$0 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$118,000 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. The line item is increased by \$335,200 Gross (\$0 GF/GP) of federal WIC infrastructure grant funds to complete an electronic benefit system project. Federal authorization is increased by \$175,000 Gross (\$0 GF/GP) to recognize a new WIC Special Project 3-year grant award, Revitalizing Quality Nutrition Services, to address counseling methods used to improve WIC participant consumption of fruits and vegetables.

The Women, Infants, and Children Program Local Agreements and Food Costs line item is reduced by \$5,000,000 Gross (\$0 GF/GP) of excess federal authorization to reflect actual WIC food grant revenue anticipated. Private funding authorization of the line is increased by \$2,879,900 Gross (\$0 GF/GP) to reflect a projected increase in infant formula manufacturer rebates received for infant formula used in the WIC program.

FY 2004-05 SUPPLEMENTAL ACTIONS

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the Women, Infants, and Children Program Local Agreements and Food Costs line item by \$457,500 Gross (\$0 GF/GP) for FY 2004-05 to recognize additional private revenue from infant formula manufacturer rebates received for infant formula used by the Women, Infants, and Children Supplemental Food and Nutrition Program.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)		10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (HEALTH)						
Full-time equated classified positions	41.0	41.0	41.0	41.0	41.0	41.0
Women, infants, and children program administration and	5,702,700	6,498,800	6,355,800	6,498,800	6,498,800	6,498,800
* positions in above line	41.0	41.0	41.0	41.0	41.0	41.0
Women, infants, and children program local agreements	181,392,100	179,272,000	179,272,000	179,272,000	179,272,000	179,272,000
GROSS APPROPRIATION	187,094,800	185,770,800	185,627,800	185,770,800	185,770,800	185,770,800
Appropriated from:						
Federal revenues:						
Total federal revenues	136,747,500	132,538,400	132,398,000	132,538,400	132,538,400	132,538,400
Special revenue funds:						
Total private revenues	50,347,300	53,232,400	53,229,800	53,232,400	53,232,400	53,232,400
State general fund/general purpose	0	0	0	0	0	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES (HEALTH)

Federal funds in the Children's Special Health Care Services Administration line item are decreased by \$3,700 while GF/GP revenues are increased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The line is reorganized with staff transfers of 3.7 FTEs a reduction of \$621,200 Gross (\$249,200 GF/GP) to the Medical Services Administration line representing physicians who provide prior authorization medical necessity reviews and approvals for certain children's health care specialty services. There is a 1.0 FTE \$80,000 GF/GP reduction due to a vacancy brought about by administrative savings. The line item receives employee-related economic increases of \$79,400 Gross (\$41,600 GF/GP) for defined benefit retirement costs, and \$37,000 Gross (\$11,900 GF/GP) for increased insurance costs. A decrease of \$9,500 Gross (\$5,300 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$103,300 Gross (\$51,200 GF/GP) are restored that were taken as unspecified employee-related savings in FY 2004-05.

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

The Bequests for Care and Services line is increased by \$134,500 federal Maternal and Child Health Block Grant funds. A technical correction would be appropriate as this funding increase is actually restricted revenues reflecting anticipated revenues from the parent participation program. In FY 2004-05 the federal poverty level (FPL) was changed for participation in this program resulting in a larger amount of financial support from families with greater than 250% of the FPL.

Federal funds in the Case Management Services line item are decreased by \$2,100 while GF/GP revenues are increased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. A transfer-out of \$3,773,500 Gross (\$1,285,300 GF/GP) to a new appropriation line called Outreach and Advocacy is included to better reflect activities within the line.

The new appropriation line Outreach and Advocacy received a transfer-in from the Case Management Services line of \$3,773,500 Gross (\$1,285,300 GF/GP). The administrative activity of outreach and advocacy services are provided with these funds. Case management services are billed separately within the Medical Care and Treatment appropriation line.

Federal funds in the Conveyor Contract line item are decreased by \$100 while GF/GP revenues are increased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. Transfers-in to the Conveyor Contract appropriation line from the Medical Care and Treatment line item \$721,800 Gross (\$476,400 GF/GP)

reflecting historical expenditures and requests for transportation services found within the Medical Care and Treatment line.

Federal funds in the Medical Care and Treatment line item are decreased by \$153,400 while GF/GP revenues are increased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The line is increased by \$19,300,000 Gross (\$11,100,000 GF/GP) for anticipated FY 2004-05 inflation, caseload, and utilization growth. The FY 2005-06 adjustment reduction of \$11,863,200 Gross (\$7,397,500 GF/GP) was included by the Conference Committee to reflect the staff consensus recommendation. Transfers-out to the Conveyor Contract appropriation line of \$721,800 Gross (\$476,400 GF/GP) reflecting historical expenditures and requests for transportation services found within the Medical Care and Treatment line. Included is a reduction netting to zero accomplished by offsetting a GF/GP reduction of \$1.8 million with a like amount of restricted revenue due to increased funding from increasing monthly payment agreement amounts for families receiving services within the CSHCS program. The line is reduced by \$1,862,800 Gross (\$954,000 GF/GP) due to savings achieved from a 3% provider rate reduction.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

EO 2005-7 reduces the Children's Special Health Care Services Administration line by \$80,000 GF/GP recognizing administrative savings. The Medical and Treatment line is reduced by \$1,034,900 Gross (\$530,000 GF/GP) due to a 4% reduction in provider rates and is also reduced by \$450,000 GF/GP due to savings resulting from increasing the monthly repayment agreement rate within the Children's Special Health Care Services program.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 11 appropriates \$450,000 State Restricted revenue to recognize additional parent participation revenue due to a change in the qualifying poverty level. The Act also appropriates \$19,300,000 Gross (\$11,100,000 GF/GP) to correct a projected FY 2004-05 deficit.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 reduces the Medical Care and Treatment line by \$20,559,800 Gross (\$17,439,200 GF/GP) due to adjustments across several lines reflecting changes in Medicaid caseload, utilization and inflation.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)		10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES (HEALTH)						
Full-time equated classified positions	47.7	43.0	43.0	43.0	43.0	43.0
Children's special health care services administration--*	4,319,700	3,846,800	3,732,700	3,846,800	3,828,700	3,828,700
* positions in above line	47.7	43.0	43.0	43.0	43.0	43.0
Amputee program	184,600	184,600	184,600	184,600	184,600	184,600
Bequests for care and services	1,754,600	1,889,100	1,889,100	1,889,100	1,889,100	1,889,100
Case management services	3,773,500	0	0	0	0	0
Outreach and advocacy	0	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500
Conveyor contract	513,500	1,235,300	1,235,300	1,235,300	1,235,300	1,235,300
Medical care and treatment	172,774,200	207,800,900	208,668,600	208,668,600	177,626,400	177,626,400
GROSS APPROPRIATION	183,320,100	218,730,200	219,483,800	219,597,900	188,537,600	188,537,600
Appropriated from:						
Federal revenues:						
Total federal revenues	88,284,700	106,499,000	104,331,600	104,386,900	90,824,200	90,824,200
Special revenue funds:						
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total other state restricted revenues	650,000	4,070,200	2,450,000	2,450,000	2,450,000	2,450,000
State general fund/general purpose	93,385,400	107,161,000	111,702,200	111,761,000	94,263,400	94,263,400

OFFICE OF DRUG CONTROL POLICY

OFFICE OF DRUG CONTROL POLICY (SAFETY)

The Drug Control Policy line item receives employee-related economic increases of \$36,500 Gross (\$6,700 GF/GP) for defined benefit retirement costs, and \$17,900 Gross (\$2,600 GF/GP) for insurance costs. A decrease of \$4,500 Gross (\$800 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$55,200 Gross (\$25,700 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Administrative reductions of \$40,000 Gross (all GF/GP) are made by reducing funding for contractual services, supplies and materials to achieve GF/GP savings. Pursuant to the Leadership target agreement, the budget includes a \$1,700 Gross (all GF/GP) reduction in anticipation of group insurance cost savings.

The Anti-Drug Abuse Grants line item is reduced by \$2,188,900 Gross (\$0 GF/GP) to eliminate excess federal Byrne Memorial Grant funding authorization and reflect actual grant revenues available for expenditure. The line item is increased by \$300,000 Gross (\$0 GF/GP) to recognize funds from a new 3-year federal grant award (2004-2007) for Prevention of Methamphetamine Abuse.

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

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Drug Control Policy line item for FY 2004-05 by \$40,000 Gross (all GF/GP). The savings are obtained from contractual services, supplies and materials reductions.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)		10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 116. OFFICE OF DRUG CONTROL POLICY (SAFETY)						
Full-time equated classified positions	16.0	16.0	16.0	16.0	16.0	16.0
Drug control policy--* FTE positions	2,040,800	2,105,900	1,903,300	2,105,900	2,104,200	2,104,200
* positions in above line	16.0	16.0	16.0	16.0	16.0	16.0
Anti-drug abuse grants	26,859,200	24,970,300	24,970,300	24,970,300	24,970,300	24,970,300
Interdepartmental grant to judiciary for drug treatment c	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
GROSS APPROPRIATION	30,700,000	28,876,200	28,673,600	28,876,200	28,874,500	28,874,500
Appropriated from:						
Federal revenues:						
Total federal revenues	30,334,200	28,516,200	28,389,200	28,516,200	28,516,200	28,516,200
Special revenue funds:						
State general fund/general purpose	365,800	360,000	284,400	360,000	358,300	358,300

**CRIME VICTIM
SERVICES COMMISSION**

CRIME VICTIM SERVICES COMMISSION (VULNERABLE)

The Grants Administration Services line item receives an employee-related economic increase of \$12,100 Gross (\$0 GF/GP) for insurance costs. Decreases are made to the line item of \$126,500 Gross (\$0 GF/GP) to reflect a reduction in defined benefit retirement costs, and \$2,200 Gross (\$0 GF/GP) to reflect a reduction in defined contribution retirement costs. Funds totaling \$24,200 Gross (\$0 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. One FTE is added to this line item to reflect the conversion of grant monitoring functions from a contractual arrangement to an in-house position.

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

The Crime Victim Rights Services Grants line item is increased by \$670,000 Gross (\$0 GF/GP) to reflect additional federal Victims of Crime Act grant funds for victim compensation, an amount determined by formula based on prior year state expenditures for compensation.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)		10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 117. CRIME VICTIM SERVICES COMMISSION (VULNERABLE)						
Full-time equated classified positions	9.0	10.0	10.0	10.0	10.0	10.0
Grants administration services--* FTE positions	1,137,300	1,044,900	1,091,100	1,044,900	1,044,900	1,044,900
* positions in above line	9.0	10.0	10.0	10.0	10.0	10.0
Justice assistance grants	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Crime victim rights services grants	8,985,300	9,655,300	9,655,300	9,655,300	9,655,300	9,655,300
GROSS APPROPRIATION	23,122,600	23,700,200	23,746,400	23,700,200	23,700,200	23,700,200
Appropriated from:						
Federal revenues:						
Total federal revenues	13,954,700	14,622,200	14,623,500	14,622,200	14,622,200	14,622,200
Special revenue funds:						
Total other state restricted revenues	9,167,900	9,078,000	9,122,900	9,078,000	9,078,000	9,078,000
State general fund/general purpose	0	0	0	0	0	0

**OFFICE OF SERVICES
TO THE AGING**

OFFICE OF SERVICES TO THE AGING (VULNERABLE)

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 \$70,000 Gross (\$26,700 GF/GP) for defined benefit retirement costs, and \$50,500 Gross (\$19,200 GF/GP) for insurance costs. A decrease of \$29,000 Gross (\$11,000 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$109,500 Gross (\$41,900 GF/GP) are restored that were eliminated for unspecified employee-related savings in FY 2004-05. Administrative reductions of \$44,300 Gross (all GF/GP) are made by reducing funding for training and travel expenditures to achieve GF/GP savings. Pursuant to the Leadership target agreement, the budget includes a \$12,400 Gross (all GF/GP) reduction in anticipation of group insurance cost savings. Private funding authorization is increased by \$85,000 Gross (\$0 GF/GP) in anticipation of private donations to support the Agency's preparation and participation in the decennial White House Conference on Aging event, late in 2005. The Department anticipates that the private authorization may also be used for private funds collected by county cooperative extension agencies, to support local Senior Farmer's Market Nutrition Project FRESH programs.

The Community Services line item is reduced by \$200,000 Gross (all GF/GP) to achieve GF/GP savings where federal matching funds are not affected; reductions may apply to alternative care, access services, and care management programs.

There are no changes to the Nutrition Services line item.

The Senior Volunteer Services line item is reduced by \$21,000 Gross (all GF/GP) to achieve GF/GP savings; reductions may affect all three senior volunteer programs funded by this line item.

The Senior Citizen Centers Staffing and Equipment line item is eliminated with the reduction of \$1,068,700 Gross (all GF/GP), which is the entire amount of funding to this line item, for GF/GP savings. These funds were distributed in the past to Area Agencies on Aging for allocation based on local need to area senior centers to support costs for staffing.

There are no changes to the Employment Assistance line item.

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

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Executive Order 2005-7 reduces the Office of Services to Aging Administration line item by \$49,800 Gross (all GF/GP) for FY 2004-05. The savings are obtained by reducing GF/GP expenditures for contractual services, supplies and materials and for contracts.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 increases the Office of Services to Aging Administration line item appropriation by \$75,000 Gross (\$0 GF/GP) for FY 2004-05 to recognize private contributions for administering the Farmer's Market Nutrition Program for Seniors, also known as Project FRESH for Seniors.

	FY 2004-05	FY 2005-06				
	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	10-Feb-05	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 118. OFFICE OF SERVICES TO THE AGING (VULNERABLE)						
Full-time equated classified positions	36.5	36.5	36.5	36.5	36.5	36.5
Commission (per diem \$50.00)	10,500	10,500	9,500	10,500	10,500	10,500
Office of services to aging administration--* FTE position	4,952,400	5,188,600	4,831,100	5,188,600	5,181,700	5,181,700
* positions in above line	36.5	36.5	36.5	36.5	36.5	36.5
Community services	35,404,200	35,059,700	35,204,200	35,059,700	35,204,200	35,204,200
Nutrition services	37,290,500	37,290,500	37,290,500	37,290,500	37,290,500	37,290,500
Senior volunteer services	5,645,900	5,574,900	5,624,900	5,574,900	5,624,900	5,624,900
Senior citizen centers staffing and equipment	1,068,700	0	0	100,000	0	0
Employment assistance	2,818,300	2,818,300	2,818,300	2,818,300	2,818,300	2,818,300
Respite care program	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000
GROSS APPROPRIATION	94,790,500	93,542,500	93,378,500	93,642,500	93,730,100	93,730,100
Appropriated from:						
Federal revenues:						
Total federal revenues	52,038,500	52,162,700	52,100,600	52,162,700	52,162,700	52,162,700
Special revenue funds:						
Total private revenues	20,000	105,000	105,000	105,000	105,000	105,000
Tobacco settlement trust fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total other state restricted revenues	2,767,000	2,767,000	2,767,000	2,767,000	2,767,000	2,767,000
State general fund/general purpose	34,965,000	33,507,800	33,405,900	33,607,800	33,695,400	33,695,400

MEDICAL SERVICES

MEDICAL SERVICES ADMINISTRATION (HEALTH)

The Medical Services Administration line is increased by \$4,329,300 million federal Medicaid funding to be directed to Michigan universities and the universities will provide the required matching funds. The line is increased by \$722,000 of federal Medicaid Modernization Act funds to provide education and outreach for intended beneficiaries of the new Medicare Part D drug benefit program which starts on January 1, 2006. The Medical Services Administration line item is increased by \$621,200 Gross (\$249,200 GF/GP) reflecting transfers-in from the Children's Special Health Care Services Administration line of 3.7 FTEs representing support for physicians who provide prior authorization medical necessity reviews and approvals for certain specialty services. The line is reduced by \$500,000 Gross (\$250,000 GF/GP) representing funding for 7.0 FTE vacancies that will be eliminated as administrative savings. The line item receives employee-related economic increases of \$728,500 Gross (\$320,100 GF/GP) for defined benefit retirement costs, and \$341,900 Gross (\$76,900 GF/GP) for increased insurance costs. A decrease of \$138,600 Gross (\$52,600 GF/GP) is made to reflect a reduction in defined contribution retirement costs. Funds totaling \$975,900 Gross (\$473,300 GF/GP) are restored that were taken as unspecified employee-related savings in FY 2004-05. An increase of \$322,500 GF/GP represents a technical correction which was requested by the Executive to correct the distribution of split pay and early retirement savings. A reduction of \$988,300 GF/GP represents additional information technology savings.

The Facility Inspection Contract – State Police line name is changed to Facility Inspection Contract – Labor and Economic Growth.

For the MIChild Administration line no changes were adopted.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

EO 2005-7 reduces the Medical Services Administration line by \$250,000 GF/GP recognizing administrative savings.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 11 appropriates \$722,000 of federal Medicaid Modernization Act funding to the Medical Services Administration appropriation line providing education and outreach for intended beneficiaries of the new Medicare Part D drug benefit program which starts on January 1, 2006.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 authorizes an increase of \$3.8 million federal Medicaid funds for contractual agreements with Michigan universities for Medicaid program evaluation, outreach efforts and to improve health care access.

	FY 2004-05	FY 2005-06				
		EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 119. MEDICAL SERVICES ADMINISTRATION (HEALTH)						
Full-time equated classified positions	339.7	336.4	336.4	336.4	336.4	336.4
Medical services administration--* FTE positions	47,398,100	54,588,200	46,302,000	46,988,200	53,812,500	53,812,500
* positions in above line	339.7	336.4	336.4	336.4	336.4	336.4
Facility inspection contract - labor and economic growth	132,800	132,800	132,800	132,800	132,800	132,800
MiChild administration	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800
GROSS APPROPRIATION	51,858,700	59,048,800	50,762,600	51,448,800	58,273,100	58,273,100
Appropriated from:						
Federal revenues:						
Total federal revenues	35,377,400	41,640,700	37,295,700	37,840,700	41,640,700	41,640,700
Special revenue funds:						
State general fund/general purpose	16,481,300	17,408,100	13,466,900	13,608,100	16,632,400	16,632,400

MEDICAL SERVICES (HEALTH)

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	\$74,800,000	\$31,180,900
Physician Services	\$22,600,000	\$28,019,800
Medicare Premium Payments	\$39,000,000	\$34,437,500
Pharmaceutical Services	\$12,200,000	(\$1,163,300)
Home Health Services	\$9,000,000	\$15,841,800
Transportation	\$200,000	\$200,000
Auxiliary Medical Services	\$4,000,000	(\$9,477,300)
Ambulance Services	\$900,000	\$1,027,300
Long Term Care Services	\$85,000,000	\$161,198,200
Health Plan Services	\$153,212,200	\$318,278,300
Total	\$400,912,200	\$579,543,200

The Hospital Services and Therapy line is increased by \$31,180,900 Gross (\$13,535,600 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is decreased by \$1,425,200 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. Federal funding is decreased by \$4,700 and GF/GP increased by the same amount to reflect a change in the federal SCHIP matching rate from 69.70% to 69.61%. Authorization is reduced and transferred to the Medical Expense Recoupment negative appropriation line in the amount of \$4,622,600 Gross (\$2,006,700 GF/GP) representing estimated savings from various efforts to recover Medicaid overpayments.

The line item is reduced \$19,574,600 Gross (\$8,497,400 GF/GP) due to a 3% provider rate reduction. The line item is increased by \$11,300,000 Gross (\$4,905,300 state restricted) due to additional hospital provider assessment revenues generated by inflation. The line item is decreased by \$11.3 million Gross (\$4,905,300 GF/GP) due to elimination of retroactive Medicaid eligibility for qualifying individuals up to three months prior to the month during which an application is filed. A waiver is required from the Centers for Medicare and Medicaid Services to eliminate this benefit. A \$200 federal increase and a \$200 GF/GP decrease were included to balance to the Executive Recommendation. The line item is decreased \$4,653,300 Gross (\$2,020,000 GF/GP) representing savings generated by requiring Medicaid recipients to make copayments of \$3.00 for a hospital emergency room visit, \$50.00 for the first day of an in-patient hospital stay and \$1.00 for an out-patient hospital visit.

The line item is decreased \$28,795,200 Gross (\$12.5 million GF/GP) due to estimated savings from the establishment of a case rate for inpatient hospital services provided to parents and caretaker relatives who are not required to be covered under the federal Medicaid program. Federal approval of this proposal is necessary. The line is decreased \$4,723,300 Gross (\$2,050,400 GF/GP) due to estimated savings from the establishment of a Medicaid hospital observation stay policy and rate for eligibles with a length of stay of not more than 24 hours. The line is decreased \$8,753,700 Gross (\$3.8 million GF/GP) based on potential audit recovery savings.

The Hospital Disproportionate Share Payments line is decreased by \$3,585,100 State Restricted and increased by the same amount of GF/GP adjusting authorization to reflect historical shortfalls of Health and Safety Welfare Fund revenues which in the past had been back-filled with special financing revenue. Excess special financing revenue is not anticipated in FY 2005-06. Within the line federal funding is decreased by \$60,000 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%.

The Physician Services line is increased by \$28,019,800 Gross (\$12,163,400 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is decreased by \$285,400 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line item is increased by \$866,300 Gross (\$376,100 GF/GP) a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated from the reduction of emergency room payment rates by 10%. The line is decreased by the exact same amounts for FY 2005-06 to reflect the reduction of emergency room payment rates. The line item is reduced \$7,185,200 Gross (\$3,119,100 GF/GP) due to a 3% provider rate reduction. A \$100 GF/GP decrease is included to balance to the Executive Recommendation. The line is increased \$5,175,500 Gross (\$2,246,700 GF/GP) to increase rates for obstetrical services within this line by approximately 20%. Companion boilerplate language is found in Sec. 1635. The line is

reduced \$767,900 Gross (\$333,300 GF/GP) from savings generated by a \$3.00 co-payment on physician office visits for nonexempt Medicaid adults. Companion boilerplate language is found in Sec. 1631(3).

In the Medicare Premium Payments line item, Medicaid inflation, caseload and utilization adjustments totaling \$34,437,500 Gross (\$14,949,300 GF/GP) were adopted. Within the line federal funding is decreased by \$283,200 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels.

For Pharmaceutical Services, Medicaid inflation, caseload and utilization adjustments reduced the line \$1,163,300 Gross (\$505,000 GF/GP) were adopted. Within the line federal funding is decreased by \$887,000 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. A transfer-in of \$2.1 million of tobacco settlement revenue from the Elder Prescription Insurance Coverage appropriation line replaces a like amount of GF/GP. The line item is increased by \$1,481,700 Gross (\$643,200 GF/GP) reflecting a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 by reducing the pharmacy dispensing fee from \$3.77 to \$2.75. The line is reduced by the exact same amounts for FY 2005-06 to re-establish the dispensing fee savings.

The line item is increased \$875,000 Gross (\$379,800 GF/GP) reflecting a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 by increasing co-payments on brand name prescriptions to \$3.00. The line is reduced by the exact same amounts for FY 2005-06 to re-establish the savings resulting from a \$3.00 co-payment on brand name prescriptions. The line item is increased \$1,155,000 Gross (\$501,400 GF/GP) a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 from implementation of an optional mail order pharmacy program for maintenance drugs for Medicaid fee-for-service patients. The line is reduced by the exact same amounts for FY 2005-06 to re-establish savings from an optional mail order pharmacy program. The line item is increased \$7,572,200 Gross (\$3,287,100 GF/GP) a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 from implementation of mail order drug co-payments. One-time Warner Lambert settlement revenue of \$2,310,000 replaces a like amount of GF/GP. One-time Claritin settlement revenue of \$2,290,000 replaces a like amount of GF/GP.

Removes \$402.8 million Gross (\$174,855,500 GF/GP) recognizing the implementation of the Medicare Part D drug benefit that will begin on January 1, 2006, providing prescription drug benefits for all Medicaid-Medicare dual eligibles. The \$174,855,500 GF/GP is transferred to the new Federal Medicare Pharmaceutical Program appropriation line which will fund the phased-down state contribution to the federal government, also known as the clawback provision payment.

The line item is reduced \$784,700 Gross (\$340,600 GF/GP) due to a 3% provider rate reduction. Replaces \$13.5 million GF/GP in this line item with tobacco settlement revenue available from the Elder Prescription Insurance Coverage line due to the implementation of the Medicare Part D drug program.

The line is reduced \$786,500 Gross (\$195,500 GF/GP) due to savings realized from the removal of funding for special projects that were necessary during early implementation of the First Health contract. The line is reduced \$9,905,600 Gross (\$4.3 million GF/GP) due to savings generated from improved fraud recoveries from pharmaceutical manufacturers. The line is reduced \$9,214,500 Gross (\$4.0 million GF/GP) due to savings from Medicaid psychotropic drug utilization generated by the use of a new program that evaluates doctor's prescribing practices.

The Home Health Services line item Medicaid inflation, caseload and utilization adjustments totaling \$15,841,800 Gross (\$6,876,800 GF/GP) were adopted. Within the line federal funding is decreased by \$56,900 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line item is reduced \$285,700 Gross (\$124,000 GF/GP) due to a 3% provider rate reduction.

The Transportation line item Medicaid inflation, caseload and utilization adjustments totaling \$200,000 Gross (\$100,000 GF/GP) were adopted.

In the Auxiliary Medical Services line item, Medicaid inflation, caseload and utilization reductions totaling \$9,477,300 Gross (\$4,114,200 GF/GP) were adopted. Within the line federal funding is decreased by \$120,800 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line item is reduced \$330,000 Gross (\$143,200 GF/GP) due to a 3% provider rate reduction. An increase of this line item of \$12,621,700 Gross (\$4.8 million GF/GP) completely restores Medicaid non-emergency adult dental services with no co-payments.

The Ambulance Services line item Medicaid inflation, caseload and utilization adjustments totaling \$1,027,300 Gross (\$446,000 GF/GP) were adopted. Within the line federal funding is decreased by \$13,400 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line item is increased \$827,900 Gross (\$359,400 GF/GP) to provide for the per mileage ground transportation rate to increase to \$4.25. Companion boilerplate language is found in Sec.1634.

The Long Term Care Services line Medicaid inflation, caseload and utilization adjustments totaling \$161,198,200 Gross (\$69,976,200 GF/GP) were adopted. Within the line federal funding is decreased by \$1,996,700 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. This line item is reduced by \$4,218,700 Gross (\$1,826,300 Local) to correct for local revenue which has consistently come in under authorization levels, therefore the proposed local correction along with the corresponding federal match reduction. The line is increased \$916,700 (\$397,900 GF/GP) a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 from the use of a new long-term care screening tool to identify eligibility for nursing home care. Implementation began later in FY 2004-05 than expected. The line is reduced by the exact same amounts for FY 2005-06 to reflect savings from the implementation of the screening tool.

The line item is reduced \$14,250,000 Gross (\$6,185,900 GF/GP) reflecting annualization of savings that were budgeted for one-half of the implementation year, FY 2004-05. The 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. The line item is increased \$9,930,000 Gross (\$4,310,600 GF/GP) a FY 2004-05 base adjustment due to unrealized savings, savings which had been anticipated in FY 2004-05 from elimination of Medicaid reimbursements to nursing homes for beds of Medicaid patients who are temporarily hospitalized. The line item is reduced \$925,000 Gross (\$401,500 GF/GP) anticipating full year, or annualized savings from changing the long-term care hospital leave days policy. Due to the loss of cigarette tax revenue funding the Medicaid Benefits Trust Fund the line is increased \$119,462,400 GF/GP and state restricted revenue is reduced by a like amount. Per 2004 tobacco tax law, 25% of cigarette tax moneys used to fund the Medicaid Benefits Trust Fund in FY 2004-05 will be directed to the general fund in FY 2005-06.

An additional \$5,875,000 million of Tobacco Settlement funds will be used to offset a like amount of GF/GP. Authorization is reduced and transferred to the Medical Expense Recoupment negative appropriation line in the amount of \$4,622,600 Gross (\$2,006,700 GF/GP) representing estimated savings from various efforts to recover Medicaid overpayments. The line item is reduced \$35,371,500 Gross (\$15,354,800 GF/GP) due to a 3% provider rate reduction. The line item is increased by \$10.0 million Gross (\$4,341,000 state restricted) due to additional nursing home provider assessment revenues generated by inflation. The line item is reduced \$17.0 million Gross (\$7,379,700 GF/GP) due to elimination of retroactive Medicaid eligibility for qualifying individuals up to three months prior to the month during which an application is filed. A waiver is required from the Centers for Medicare and Medicaid Services to eliminate this benefit.

The line item is reduced \$18,428,900 Gross (\$8.0 million GF/GP) due to savings realized through legal loophole closure which currently allows individuals and families to shield assets, including annuities and trusts that would otherwise be

counted when determining an individual's eligibility for Medicaid. The line is reduced \$10.0 million Gross (\$4,341,000 GF/GP) from savings that may be generated through the implementation of an estate recovery program for Medicaid beneficiaries eligible for long-term care services. The line item is reduced by \$100 federal to balance to the Executive Recommendation. The line is increased by \$7.4 million GF/GP which replaces a like amount of Medicaid Benefits Trust Fund revenue which is projected to have a shortfall. The line is increased by \$133,609,800 Gross which is comprised of additional authorization reflecting \$76.0 million nursing home QAAP revenue generated by increasing the nursing home provider tax from 5.1% to 6.0% in FY 2006. The State will retain \$18.0 million which will offset an identical amount of GF/GP. The federal Medicaid authorization increases by \$75,609,800 which is matched by the remaining \$58.0 million QAAP.

The line item is reduced \$2,994,700 Gross (\$1,300,000 GF/GP) due to savings that are estimated to be realized in nursing homes by transitioning occupants to the HCBS program, with an estimated 200 additional slots supported by increased direct services funding. The line item is reduced \$6,910,900 Gross (\$3.0 million GF/GP) from savings to be realized through the settlement of outstanding nursing home lawsuits and recouping the escrow balances. The line is reduced \$4,607,200 Gross (\$2.0 million GF/GP) due to savings to be generated due to nursing homes reducing capital expenditures by refinancing mortgage debt at more favorable interest rates.

The Elder Prescription Insurance Coverage (EPIC) line item is reduced by \$2,100,000 Tobacco Settlement revenue due to higher than anticipated EPIC savings resulting from the Medicare-Approved Drug Discount Card which began June 1, 2004. Savings had been estimated for FY 2004-05 of \$4.5 million, but indications are that savings will be \$6.6 million. These funds are moved to the Pharmaceutical Services appropriation line. The line is reduced \$13.5 million Tobacco Settlement revenue due to implementation of Medicare Part D drug benefit which will be implemented on January 1, 2006. The funds are moved to the Pharmaceutical Services appropriation line, leaving enough funding for the first quarter of FY 2005-06.

The Health Plan Services line Medicaid inflation, caseload and utilization adjustments totaling \$318,278,300 Gross (\$127,164,700 GF/GP) were adopted. Within the line federal funding is decreased by \$2,079,200 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line item is reduced \$12,411,000 Gross (\$5,387,600 GF/GP) reflecting annualized savings that were not included in FY 2004-05, but are expected to be realized. This results from the policy that prevents per member per month (pmpm) payments from being made for individuals whose Medicaid cases closed between the 25th and 30th of the month. A \$3,665,000 GF/GP

reduction is offset by a like amount of local revenue allowing local dollars to draw down federal Medicaid matching funds for the adolescent school and community-based health center services.

The line item is increased \$1,151,800 Gross (\$500,000 GF/GP) with \$500,000 GF/GP transferred from the School Health and Education Programs appropriation line within the Family, Maternal and Children's Health Services unit to fund adolescent health clinics. Funding has been built into the FY 2005-06 HMO capitation rates. Authorization for GF/GP is increased by \$60,375,000 due to a reduction of a like amount of Merit Award Trust Fund revenue which is being used for other purposes. Authorization is reduced and transferred to the Medical Expense Recoupment negative appropriation line in the amount of \$13,867,800 Gross (\$6,019,900 GF/GP) representing estimated savings from various efforts to recover Medicaid overpayments. The line item is reduced \$61,512,200 Gross (\$26,702,300 GF/GP) due to a 3% provider rate reduction. The line item is reduced \$5,000,000 Gross (\$2,170,500 GF/GP) due to savings to be achieved by freezing enrollment of individuals under the age of age 21 who are receiving optional services. The freeze would occur on October 1, 2005 and would require a waiver from the federal government.

The line is reduced \$6.4 million (\$2,778,200 GF/GP) which would be generated by a revision in the benefits package available to optionally covered non-pregnant, non-disabled adults. Changes include a 20-day annual limit on in-patient hospital days; a \$10 co-pay on all emergency room visits; a monthly 4 prescription limit (brand names and generics); and the elimination of hearing, speech, physical therapy, occupational therapy and vision services. The line item is reduced by \$4.2 million GF/GP, offsetting this reduction with an increase of a like amount of Healthy Michigan Fund revenue. The line item is reduced \$6,550,000 Gross (\$7.8 million GF/GP) due to savings achieved by offering Medicaid family planning services to women between 19 and 44 years of age who are not currently covered by Medicaid, do not have family planning benefits through private insurance, including Medicare, and who have family income at or below 185% of the FPL. Savings may be realized by a reduction in unintended pregnancies, infant mortality and a decrease in the number of Medicaid deliveries and related costs. This would require a waiver from the Centers for Medicare and Medicaid Services.

The line item is reduced \$21,070,300 Gross (\$9,146,600 GF/GP) from savings due to reducing the Medicaid eligibility error rate. Companion boilerplate language is found in Sec.1725. The line item is increased \$691,100 Gross (\$300,000 GF/GP) to provide for the per mile ground transportation rate to increase to \$4.25. Companion boilerplate language is found in Sec.1634. The line item is increased \$1,735,300 Gross (\$753,300 GF/GP) to increase rates for obstetrical services within this line by approximately 20%. Companion boilerplate language is found in Sec. 1635. The line item is increased \$9.6 million Gross, an increase of \$5,432,600 federal Medicaid, an increase of State Restricted health plan QAAP revenue, and a reduction of \$5,432,600 GF/GP. This gross increase recognizes additional health plan quality assurance assessment revenue.

The line item is reduced \$5,068,000 Gross (\$2.2 million GF/GP) supported through savings to be realized by contracting with a consulting firm, or firms, to reduce provider mispayment. The line item is decreased \$7,832,300 Gross (\$3.4 million GF/GP) due to savings to be generated by the development of an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements. The line item is decreased \$4,555,800 Gross (\$1,977,700 GF/GP) from savings as a result of a Medicaid policy change detailed in boilerplate Sec. 1731(2), which prohibits Medicaid coverage for 19 and 20 year olds not required to be covered under the federal Medicaid requirements if his or her parent, parents, or legal guardian has health care coverage, or has access to health care coverage, for him or her.

The MICHild Program line item includes a replacement of \$36,600 federal State Children's Health Insurance Program (SCHIP) revenue with the same amount of GF/GP to reflect a decrease in the federal SCHIP matching (FMAP) rate for Michigan from 69.70% to 69.61%. The line is increased \$7.5 million Gross (\$2,279,200 GF/GP) which represents a base adjustment of approximately \$4.3 million which is associated with caseload growth that occurred in FY 2003-04 but was not built into the FY 2004-05 budget. Additionally, a 7.9% caseload growth was not built into the FY 2004-05 budget, which represents an additional \$3.2 million. The gross base adjustment is recommended at \$7.5 million. The line item is increased by \$3.5 million Gross (\$1,063,700 GF/GP) representing a 7.9% increase in the projected MICHild caseload given historical trends.

The Medicaid Adult Benefits Waiver program line item includes a replacement of \$60,000 federal State Children's Health Insurance Program (SCHIP) revenue with the same amount of GF/GP to reflect a decrease in the federal SCHIP matching (FMAP) rate for Michigan from 69.70% to 69.61%. Within the line federal funding is decreased by \$73,600 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. A line item decrease of \$8,685,800 federal Title XIX removes excess authorization. Includes a revision to disproportionate share payments (DSH) for indigent care agreements, increasing the DSH authorization \$44,557,700 Gross (\$19,342,500 local) to expand the program. The line is reduced \$79,167,400 Gross (\$34,366,600 local) with the amount transferred to a new appropriation line with the title County Indigent Care and Third Share Plans.

The Maternal and Child Health line item includes an increase of \$11,045,000 federal Medicaid authorization adjusting for anticipated needs.

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

The Medical Expenses Recoupment line item is decreased by \$27,700 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. The line item, which is a negative authorization, is eliminated by an increase of \$23,113,000 Gross (\$10,033,300 GF/GP). Savings will be realized from various efforts to recover Medicaid overpayments and are being distributed to the lines where the savings are expected to occur. Those lines are: Hospital Services and Therapy line \$4,622,600; the Long Term Care Services line, \$4,622,600; and the Health Plan Services line, \$13,867,800.

The Federal Medicare Pharmaceutical Program is a new line funded with a \$174,855,500 GF/GP transfer from the Pharmaceutical Services line, the phased-down state contribution (clawback provision) as required by the new Medicare Part D drug program. The Medicare Part D drug benefit which starts on January 1, 2006 will provide prescription drug benefits for all Medicaid-Medicare dual eligibles.

The County Indigent Care and Third Share Plans line is a new appropriation line comprised of the new Third Share Plan program and the transfer of the county indigent care agreements from the Medicaid Adult Benefits Waiver line. The Third Share Plan program increases the line by \$10.0 million Gross (\$4,341,000 local) which creates a health care coverage program to provide medical insurance for low-income working families who are not eligible for Medicaid. Under the plan, employers, employees, and counties will cover an equal portion of health care premiums for individuals enrolled in qualified health plans. The state will help counties meet their share of the costs by contributing federal disproportionate share (DSH) funding that the counties will then match. The transfer-in of \$79,167,400 Gross (\$34,366,600 local) from the Adult Benefits Waiver line of ICA DSH payments completes the creation of the line. Companion boilerplate language is found in Sec.1723.

The School-Based Services line item is increased by \$5,012,000 Gross (\$3,341,400 GF/GP reduction) to reflect current projected school reimbursements for Medicaid services to students.

The Special Adjustor Payments line name is changed to the Special Adjustor and Special DSH Payments line. Within the line federal funding is decreased by \$628,100 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 56.71% to 56.59%. A series of adjustments decreases the Special Adjustor Payments line item by \$288,915,100 Gross (increase of \$161,190,200 GF/GP) due to a shift in fund sourcing attributable to special financing which includes the loss of public hospital DSH payments, the long term care adjustor, and the Hurley outpatient hospital adjustor. The line item is increased \$20,152,900 Gross (\$8,748,400 local) representing disproportionate share payments (DSH) to fund dental and mental health services for low-income adults through

University of Detroit dental clinic and the Wayne State university Psychiatric Residency programs respectively. Further DSH funds will be used to fund health care training for individuals through community colleges and universities.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

The Executive Order required a 4% Medicaid provider rate reduction resulting in \$41,374,000 Gross (\$17,910,800 GF/GP) savings within the Medical Services unit. The following table details by line item the gross and GF/GP amounts.

<u>Medical Services Line Items</u>	<u>GROSS</u>	<u>GF/GP</u>
Hospital Services and Therapy	(\$17,111,100)	(\$7,407,400)
Physician Services	(\$3,998,500)	(\$1,730,900)
Pharmaceutical Services	(\$976,100)	(\$422,600)
Home Health Services	(\$158,700)	(\$68,700)
Auxiliary Medical services	(\$37,900)	(\$16,400)
Ambulance Services	(\$183,300)	(\$79,400)
Long-Term Care Services	(\$18,908,400)	(\$8,185,400)
Total	(\$41,374,000)	(\$17,910,800)

In addition to the Executive Order actions above, a reduction of \$15,900,000 GF/GP occurred by an offsetting withdrawal from the Medicaid Benefits Trust Fund (MBTF). The MBTF authorization increase occurred in PA 109 of 2005. The Pharmaceutical Services line is reduced by \$3.0 million GF/GP due to the settlement with Buspar, and the line is as well reduced by \$786,000 Gross (\$195,500 GF/GP) due to the elimination of a pharmacy benefits manager incentive payment. The Health Plans Services line is reduced by \$10.0 million GF/GP by an offsetting withdrawal from the MBTF. The MBTF authorization increase occurred in PA 109 of 2005. The Health Plan Services line is also reduced by \$3,665,000 GF/GP of adolescent health care funding with a like amount of local funds being provided.

PUBLIC ACT 11 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 11 provided for adjustments and additional funding of \$66,331,400 Gross (\$28,714,900 GF/GP) for expenditures related to 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 Items</u>	<u>GROSS</u>	<u>GF/GP</u>
Hospital Services and Therapy	\$83,468,700	\$36,133,600
Physician Services	(\$12,593,000)	(\$5,451,500)
Pharmaceutical Services	(\$96,429,100)	(\$41,744,200)
Home Health Services	\$16,436,500	\$7,115,400
Transportation	(\$207,900)	(\$90,000)
Auxiliary Medical services	(\$25,170,800)	(\$10,896,400)
Ambulance Services	(\$544,100)	(\$235,500)
Long-Term Care Services	(\$45,261,600)	(\$19,593,700)
Health Plan Services	\$146,632,700	\$63,477,300
Total	\$66,331,400	\$28,714,900

Additionally, within the Hospital Services and Therapy line the authorization is increased by \$82.0 million Gross (\$36,170,200 state restricted) recognizing the delayed payment for the FY 2003-04 hospital QAAP expansion. The line is also increased by \$15.9 million from the MBTF offsetting a like amount of GF/GP savings included in Executive Order 2005-7. The Pharmaceutical Services line is increased by \$3.0 million of state restricted revenue representing settlement proceeds from the Buspar judgment. The Health Plan Services line is increased by \$10.0 million from the MBTF offsetting a like amount of GF/GP savings included in Executive Order 2005-7. The line is increased by \$3,665,000 of local revenue for the adolescent health care program. The Special Adjustor Payments line is increased by \$17,903,200 Gross (federal \$10,152,900, local \$4,279,300, private \$3,471,000) to provide Medicaid disproportionate share (DSH) payments to the University of Detroit Dental Clinic and the Wayne State University Psychiatric Residency programs.

PUBLIC ACT 109 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Public Act 109 provided for adjustments and additional funding of \$139,393,900 Gross (\$60,343,500 GF/GP) for expenditures related to 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 Items</u>	<u>GROSS</u>	<u>GF/GP</u>
Hospital Services and Therapy	(\$85,620,900)	(\$37,065,300)
Physician Services	\$20,707,200	\$8,964,100
Medicare Premium Payments	(\$5,705,600)	(\$2,470,000)
Pharmaceutical Services	\$35,845,100	\$15,517,300
Home Health Services	(\$7,891,200)	(\$3,416,100)
Ambulance Services	\$359,400	\$155,600
Long-Term Care Services	\$110,948,000	\$48,029,400
Health Plan Services	\$70,751,900	\$30,628,500
Total	\$139,393,900	\$60,343,500

The Medical Expense and Recoupment line negative authorization was offset by \$11,550,000 Gross (\$5.0 million GF/GP) as Medicaid overpayment savings had been identified. The Long-Term Care Services line receives a fund shift increasing GF/GP by \$1.8 million and reducing the local revenue authorization by a like amount, due to a shortfall of maintenance of effort (local) revenues from county medical care facilities. The line also received a revenue adjustment increasing the GF/GP authorization by \$10.0 million with offsetting authorization reductions of \$1.9 million Tobacco Settlement revenue and \$9.0 million Medicaid Benefits Trust Fund revenue. The Health Plan Services line receives a fund shift reducing GF/GP by \$11.0 million and increasing State Restricted QAAP authorization by a like amount. The health plan QAAP revenues are available due to increased caseloads. The line also received a revenue adjustment increasing GF/GP by \$5.1 million and reducing the Merit Award Trust Fund revenue by a like amount. The Maternal and Child Health line is increased by \$11,045,000 federal Medicaid authorization due to known service level needs.

PUBLIC ACT 154 OF 2005 SUPPLEMENTAL APPROPRIATIONS

House Bill 4831 (Article 3) enacted in September of 2005, increases the FY 2004-05 Long-Term Care Services line appropriations by \$18,800,000 Gross (\$10,638,900 federal, \$8,161,100 state restricted). The increase allows for the expenditure of additional nursing home QAAP funds, and federal Medicaid match, the additional QAAP funds made possible by statutory changes that allowed County Medical Care Facilities (CMCF) to be included in the nursing home assessment.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 120. MEDICAL SERVICES (HEALTH)						
Hospital services and therapy	1,186,087,500	1,223,365,400	1,225,108,500	1,044,040,100	1,146,145,700	1,146,145,700
Hospital disproportionate share payments	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Physician services	239,908,200	289,875,100	256,951,500	249,472,400	265,150,300	265,150,300
Medicare premium payments	233,705,600	272,705,600	272,705,600	272,705,600	268,143,100	268,143,100
Pharmaceutical services	732,084,000	347,223,400	347,223,400	328,794,400	315,001,600	315,001,600
Home health services	47,158,200	55,777,200	55,777,200	55,777,200	62,714,300	62,714,300
Transportation	8,538,300	8,738,300	8,738,300	7,738,300	8,738,300	8,738,300
Auxiliary medical services	101,301,900	115,379,700	104,861,900	122,290,500	104,116,300	104,116,300
Ambulance services	11,000,000	0	12,727,900	0	12,855,200	12,855,200
Long-term care services	1,689,629,700	1,677,952,600	1,670,452,500	1,668,277,400	1,885,038,300	1,885,038,300
Elder prescription insurance coverage	19,500,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
Health plan services	1,748,749,000	1,890,668,400	1,658,116,200	2,009,740,400	1,935,938,100	1,935,938,100
MIChild program	36,875,600	47,875,600	39,994,400	0	47,875,600	47,875,600
Medicaid adult benefits waiver	138,991,900	95,696,400	76,654,900	69,372,000	95,696,400	95,696,400
Maternal and child health	9,234,500	20,279,500	20,279,500	20,279,500	20,279,500	20,279,500
Social services to the physically disabled	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900
Medical expenses recoupment	(23,113,000)	0	0	0	0	0
Federal Medicare pharmaceutical program	0	174,855,500	174,855,500	174,855,500	174,855,500	174,855,500
County indigent care and third share plans	0	10,000,000	89,167,400	10,000,000	89,167,400	89,167,400
Subtotal basic medical services program	6,230,996,300	6,285,637,600	6,068,859,600	6,088,588,200	6,486,960,500	6,486,960,500
School-based services	63,609,100	68,621,100	68,621,100	68,621,100	68,621,100	68,621,100
Special adjustor and special DSH payments	522,451,700	332,856,900	253,689,500	332,856,900	253,689,500	253,689,500
Subtotal special medical services payments	586,060,800	401,478,000	322,310,600	401,478,000	322,310,600	322,310,600
GROSS APPROPRIATION	6,817,057,100	6,687,115,600	6,391,170,200	6,490,066,200	6,809,271,100	6,809,271,100
Appropriated from:						
Federal revenues:						
Total federal revenues	3,935,111,800	3,775,332,500	3,604,351,600	3,624,366,400	3,856,139,300	3,856,139,300
Special revenue funds:						
Total local revenues	362,852,100	64,578,800	64,578,800	64,578,800	64,578,800	64,578,800
Merit award trust fund	110,675,000	50,300,000	50,300,000	50,300,000	50,300,000	50,300,000
Tobacco settlement trust fund	61,125,000	67,000,000	67,000,000	67,000,000	67,000,000	67,000,000
Total other state restricted revenues	1,180,624,400	1,202,643,900	1,128,400,200	1,194,807,000	1,191,463,900	1,191,463,900
State general fund/general purpose	1,166,668,800	1,527,260,400	1,476,539,600	1,489,014,000	1,579,789,100	1,579,789,100

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY (HEALTH)

The excess authorization of \$1,000 in Healthy Michigan Fund support for Information Technology Services and Projects is eliminated. The excess authorization of \$9,900 in Michigan Health Initiative revenue support for Information Technology Services and Projects is eliminated. The excess authorization of \$6,700 in federal random moment sample revenue (revenue realized from the documentation of administrative time spent on reimbursable federal programs) support for Information Technology Services and Projects is eliminated. The excess authorization of \$146,800 in an interdepartmental grant from the Department of Corrections for Information Technology Services and Projects is eliminated. Funds for Information Technology Services and Projects are increased by \$335,900 Gross (\$0 GF/GP) to recognize an increase in the federal Women, Infants, and Children (WIC) Electronic Benefits Transfer grant. Funding for Information Technology Services and Projects is increased by \$400,000 Gross (\$0 GF/GP) to recognize an increase in fees collected for the Health Professions Regulatory Fund. Funds for Information Technology Services and Projects are increased by \$141,600 Gross (\$98,700 GF/GP) for hardware and software costs associated with consolidating Human Resources functions into a Call Center within the Department of Civil Service.

Funds for Information Technology Services and Projects are increased by \$366,900 Gross (\$136,400 GF/GP) to restore FY 2004-05 employee-related savings. This adjustment does not include funds for negotiated salary and wage increases for employees in FY 2005-06. Funds for Information Technology Services and Projects are increased by \$130,300 Gross (\$41,800 GF/GP) for employees' defined benefit retirement costs. Funds for Information Technology Services and Projects are increased by \$69,900 Gross (\$22,400 GF/GP) for employees' defined contribution retirement costs. Funds for Information Technology Services and Projects are increased by \$153,800 Gross (\$49,300 GF/GP) for employees' insurance costs. Administrative savings of \$760,900 Gross (all GF/GP) are included in the budget for Information Technology Services and Projects which will be achieved through, among other things, reducing the rates charged to departments for information technology services. Funds for Information Technology Services and Projects are reduced by \$29,200 Gross (all GF/GP) to recognize group insurance savings pursuant to the Leadership target agreement. Funds for Information Technology Services and Projects are reduced by \$657,100 Gross (all GF/GP) to recognize information technology savings pursuant to the Leadership target agreement.

A placeholder of \$100 is included in the budget for a newly created line item entitled "Medicaid Michigan Information System". Funds are to be utilized for upgrading the medical services claims processing system which requires approval from the Centers for Medicare and Medicaid Services.

FY 2004-05 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2005-7

Funds for Information Technology Services and Projects are decreased by \$730,000 Gross (all GF/GP). The savings are to be achieved through rate reductions for contracts, enterprise administration, telecommunications, and data center operations.

	FY 2004-05	FY 2005-06 EXECUTIVE	FY 2005-06 HOUSE	FY 2005-06 SENATE	FY 2005-06 ENROLLED	FY 2005-06
FY 2005-06	COMM. HEALTH	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	ENACTED
P.A. 154 of 2005 (H.B. 4831)	YEAR-TO-DATE	10-Feb-05	9-Jun-05	14-Jun-05	21-Sep-05	30-Sep-05
DEPARTMENT OF COMMUNITY HEALTH	10-Feb-05	(HB 4379)	(HB 4831)	(SB 267)	(HB 4831)	(HB 4831)
Sec. 121. INFORMATION TECHNOLOGY (HEALTH)						
Information technology services and projects	30,481,900	31,155,000	30,794,700	30,964,200	30,468,700	30,468,700
Michigan Medicaid information system	0	100	100	100	100	100
GROSS APPROPRIATION	30,481,900	31,155,100	30,794,800	30,964,300	30,468,800	30,468,800
Appropriated from:						
Interdepartmental grant revenues:						
Interdepartmental grant from the department of correction	146,800	0	0	0	0	0
Federal revenues:						
Total federal revenues	17,816,000	18,603,900	18,396,100	18,603,900	18,603,900	18,603,900
Special revenue funds:						
Total other state restricted revenues	2,570,300	3,014,700	2,987,100	3,014,700	3,014,700	3,014,700
State general fund/general purpose	9,948,800	9,536,500	9,411,600	9,345,700	8,850,200	8,850,200

BOILERPLATE

GENERAL SECTIONS BOILERPLATE

Sec. 201. State Spending

Totals the state spending from state resources under Part 1 for Fiscal Year (FY) 2005-06 and state spending from state resources to be paid to local units of government for FY 2005-06.

Sec. 202. Authorized Appropriations

Provides that appropriations authorized under this article are subject to 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 this article.

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 may also be 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 article.

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, 2006, on the FY 2005-06 appropriations fund sources by line item appropriations. Requires a report on the amount and sources of funds proposed to support the FY 2006-07 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, 2006, 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 2005-06. Requires the Department to report by March 15, 2006, 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, 2005, and May 1, 2006, 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, 2006.

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. 261. *Medicaid Management Information System Upgrade*

Provides that the Part 1 appropriated funds for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from the Centers for Medicare and Medicaid services. Also permits the appropriation to be designated as work project and carried forward to support completion of the project.

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, 2006.

Sec. 267. *Disciplinary Action Against State Employee*

Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or his/her staff.

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.

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 2005-06 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, 2006, on the following for CMHSPs or specialty prepaid health plans: expenditures and services data; information about access to CMHSPs; lapses and carry-forwards during FY 2004-05; 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 Department of Human Services 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. Requires coordinating agencies 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 approve 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, 2006, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2004-05.

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 DHS Recipients*

Requires the Department to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the Department of Human Services 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 2004-05.

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 Departments of Human Services, 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.

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, 2006, on the following FY 2004-05 data to the House of Representatives and Senate Appropriations Subcommittees on Community Health and Corrections, the House and Senate Fiscal Agencies, and the State Budget Office: the number of prisoners receiving substance abuse services; the number of prisoners with a primary diagnosis of mental illness and receiving mental health and substance abuse services; and data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness and/or receiving substance abuse 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. 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*

Continues a Work Group on recommending strategies to streamline audit and reporting requirements for CMHSPs for CMHSPs or specialty prepaid health plans. Requires the Work Group to develop a set of standards and criteria to satisfy all of the Department's audit requirements that are to be used by any contractor performing services for CMHSPs or specialty prepaid health plans. By March 31, 2006, the proposed standards and criteria are to be provided to the House of Representatives and Senate Subcommittees on Community Health, House and Senate Fiscal Agencies, and 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. 456. *Consumer Choices for Mental Health Services*

Requires prepaid inpatient health plans providing Medicaid mental health services to honor a consumer choice for skill building assistance and work preparatory services provided in accredited community based rehabilitation organizations as well as supported and integrated employment services.

Sec. 457. *Quality Assurance Assessment Program for CMH Prepaid Inpatient Health Plans*

Requires the Department to assure that implementation of the Quality Assurance Assessment Program (QAAP) for CMH prepaid inpatient health plans does not result in any net reduction in revenue for CMH services. If QAAP is not implemented, or implemented and does not generate the anticipated revenue, or reduced or eliminated at a later date, the Department must submit a plan to the House of Representatives and Senate Appropriations Subcommittees on Community Health on how the projected GF/GP savings will be achieved.

Sec. 458. *Report on Recommendations of Michigan Mental Health Commission and Cost-Benefit Analysis for Residential Facilities and Specialized Mental Health Court Program*

Requires the Department to report by April 15, 2006, on the following: an updated plan for implementing recommendations of the Michigan Mental Health Commission report on October 15, 2004; a cost-benefit analysis of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness; and a cost-benefit analysis of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 460. *Uniform Standards for Reporting of Administrative Costs by CMHSPs*

Requires the Department to establish uniform definitions, standards, and reporting of administrative costs by prepaid inpatient health plans (PIHPs), CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated for PIHPs and CMHSPs. By April 15, 2006, the Department is required to provide a written draft of the proposed definitions, standards, and instructions to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

Sec. 462. *Funding Equity Plan for CMH Non-Medicaid Services*

Requires the Department to establish a Work Group to develop a plan to achieve funding equity for all CMHSPs that receive funds appropriated under CMH Non-Medicaid Services. The funding equity plan, at a minimum, shall establish a payment or scale to ensure that each CMHSP is paid and/or reimbursed equally based on the recipient's diagnosis or individual plan of service to meet the recipient's needs.

Sec. 463. *Program Evaluation Measures for Substance Abuse Services*

Directs the Department to establish standard program evaluation measures to assess the effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse.

Sec. 464. *Liquor License Fees*

Expresses the Legislature's intent that revenue received by the Department from liquor license fees are to be expended only to fund programs for the prevention, rehabilitation, care, and treatment of alcoholics pursuant to provisions with the Liquor Control Code.

Sec. 465. *Respite Services*

Requires that the funds appropriated for respite services be used for direct respite care services for children with serious emotional disturbances and their families. Specifies that no more than 1% of the funds allocated for respite services be expended by CMHSPs for administration and administrative purposes.

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. *Gifts and Bequests*

Authorizes the carry forward of unexpended and unencumbered funds up to \$1,000,000 from 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 and State Budget Director. 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 and local county CMHSP payers, 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, at minimum posting the advisory on the Internet and providing it to Women, Infants, and Children special supplemental nutrition program clients.

Sec. 651. *Activities of the Surgeon General*

Requires the department to report by April 30, 2006 on activities and efforts of the Surgeon General to improve the health status of the citizens of the state pursuant to the goals and objectives stated in the "Healthy Michigan 2010" report, and to indicate measurable progress made.

HEALTH POLICY, REGULATION AND PROFESSIONS

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*

Require funds appropriated for the Nurse Scholarship Program be used to increase nurses practicing in Michigan. Requires 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.

Sec. 709. *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. 710. *Primary Care Services Funding for Health Centers*

Allocates up to \$2,296,000 to enhance the service capacity of federally qualified health centers and similar health clinics providing primary care services.

Sec. 711. *Customized Listings of Nonconfidential Information*

Permits the Department to make customized listings of nonconfidential information in its possession, such as names and addresses of licensees, available to interested entities. Permits the Department to establish and collect a reasonable charge for providing this service. Requires revenue received from this service be used to offset expenses for providing the service. Requires unexpended revenue balances to revert to the appropriate restricted fund.

Sec. 712. *Free Health Clinics*

Allocates \$250,000 to free health clinics, nonprofit organizations that use volunteer health professions to provide care to uninsured individuals, from the funds appropriated for primary care services. Requires the Department to distribute the funds equally to each free health clinic.

Sec. 713. *Funding for Multicultural Agencies Providing Primary Care Services*

Directs the Department to continue to fund multicultural agencies that provide primary care services.

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.

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, 2006.

Sec. 905. *Reduced Hearing Screening and Vision Services*

Local health departments shall offer hearing screening and vision services at levels reduced from services provided in Fiscal Year 2004-05 and target the services to preschool and early elementary aged school children.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

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 Funding and Allocation for Quit Kits*

In spending funds allocated to smoking prevention programs, requires the Department to give priority to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents. Establishes allocation of \$900,000 of smoking prevention funds for the Quit Kit program that includes the nicotine patch or nicotine gum, for purposes of complying with Act 164 of the Public Acts of 2004.

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 \$200,000 of chronic disease prevention line item funds for osteoporosis prevention and treatment education.

Sec. 1019. Stroke Prevention Funding

Permissive language indicating that the Department may allocate \$50,000 of chronic disease prevention line item funds for stroke prevention, education, and outreach.

Sec. 1028. African-American Male Health Initiative Funding

Permissive language indicating that the Department may appropriate funds for the African-American male health initiative if Healthy Michigan Funds or federal Preventive Health and Health Services Block Grant funds are available.

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, 2006 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 not more than 9% 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 88% 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. 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 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 9% 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. 1604. Medicaid Eligibility Application

Specifies certain conditions of the Medicaid eligibility application process.

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 the 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. 1616. *Medicaid Audit Recoveries Contingency Authorization*

Authorizes up to \$8,753,700 of audit recovered Medicaid managed care and fee-for-service payments within the Hospital Services and Therapy appropriation line.

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

Establishes the pharmacy dispensing fee at \$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 except as prohibited by federal or state law or regulation. Requires availability of a voluntary mail order pharmacy program.

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. 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. 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. 1628. *Medicare Part D Psychotropic Pharmacy Administration Committee and Study*

Requires the Department to convene a committee to study the implementation of psychotropic pharmacy administration under Medicare Part D for individuals dually enrolled in the Medicare and Medicaid programs by April 2006. The committee representation is detailed and a final report is due by September 30, 2006.

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 Podiatric, Dental and Chiropractic Services*

Continues podiatric, adult dental 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. 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. 1631. *Medical Services Copayments*

Requires copayments on dental, podiatric, chiropractic, vision, and hearing aid services unless prohibited by law or regulation. Specifies copayments of \$2 for a physician office visit, \$3 for a hospital emergency room visit, \$50 for the first day of an in-patient hospital stay and \$1 for an out-patient hospital visit.

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, Increase Mileage Reimbursement Rate*

Requires continuation of the FY 2000-01 5% increase in ambulance service payment rates and increases the ambulance mileage reimbursement rate to \$4.25 per mile.

Sec. 1635. *Medicaid Obstetrical Rate Increase*

Directs the Department to allocate \$6,910,800 between the Physician Services and Health Plan Services appropriation lines for the increase of Medicaid reimbursement rates for obstetrical services.

Sec. 1637. *Personal Health Responsibility Agreement*

Requires that all Medicaid recipients be offered the opportunity to sign a Medicaid personal responsibility agreement which contains various provisions regarding healthy behaviors.

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 allowable 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, 2005.

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**
Requires 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 HMO Performance, EPSDT and MSS/ISS Technical Assistance**
Assurance by the Department that an external quality review of each HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services either contracted or directly provided to Medicaid beneficiaries. 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 assure that training and technical assistance are available EPSDT and MSS/ISS.

Sec. 1666. *System Changes Providing Timelier Inclusion of Newborns in Medicaid Eligibility File*

Directs the Department to implement system changes to assure that within 30 days of birth newborns of health plan covered Medicaid mothers are included in the Medicaid eligibility file and enrolled in the same health plan as the mother.

Sec. 1670. *MIChild Program Eligibility*

(1) 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, (2) 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, (3) assures continuity of care for persons whose category of MICHild eligibility changes due to family income, (4) specifies the income level and verification requirements to be used in determining eligibility for the MICHild program, (5) 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, (6) allows the Department to obtain certain MICHild services contractually through community mental health agencies.

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. 1673. *MICHild Premiums and Prohibition on MICHild Copayments*

Allows the Department to establish premiums for eligible persons above 150% of the poverty level not to exceed \$15 per month for a family and prohibits copayments under 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*

Requires that previous payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program be continued. 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. 1684. *Home and Community-Based Services (HCBS) Administrative Expenses*

Requires that the payment rate allocated for administrative expenses for the HCBS waiver program be reduced by \$2.00 per person per day, and that the savings realized by this action will be reallocated to increase enrollment in the waiver program. A report will be prepared by the Department on the number of nursing home patients discharged who are subsequently enrolled in the HCBS waiver program, and the associated cost savings.

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. 1686. Long Term Care Single Point of Entry Pilot Project Report**
Requires the Department to report by April 30, 2006, on the progress of three Medicaid long-term care single point of entry services pilot projects.
- Sec. 1687. Psychiatric Care for Alzheimer's Disease or Dementia**
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.
- Sec. 1690. Estate Preservation Program Establishment**
Allows the Department to work with the federal government to establish an estate preservation program as recommended by the Michigan Medicaid Long Term Task Force.
- 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) in the amount of \$50.0 million.
- Sec. 1700. *Actuarially Sound Capitation Rates***
Requires the Department to consult with the Michigan Association of Health Plans and develop a plan to assure that the Medicaid payment rates to HMOs in FY 2005-06 meet the federal requirements for actuarially sound rates. The plan shall be submitted by May 30, 2006.
- 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 and Emergency Room Observation Rate***
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. Also requires that the Department establish an emergency room observation rate for Medicaid eligibles by April 1, 2006.

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, 2006, that includes recommendations to reduce or eliminate barriers to participation.

Sec. 1716. Adult Benefits Waiver Enrollment Level

Requires the Department to seek to maintain a constant enrollment level within the Medicaid Adult Benefits Waiver program through FY 2005-06.

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 continue its Medicare recovery program.

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

Specifies the DSH payment amount to be paid to Hutzell Hospital and the MSU Institute for Health Care Studies.

- 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.
- Sec. 1725. *Medicaid Eligibility Error Rate Reduction***
Requires the Department to implement a plan, and detailing the plan in a report, on how it will reduce Medicaid eligibility errors related to basic eligibility requirements.
- Sec. 1726. *Creatinine Test Reporting by Clinical Laboratories***
Requires clinical laboratories performing a creatinine test to report the glomerular filtration rate (eGFR) as a percent of kidney function remaining for Medicaid beneficiaries.
- Sec. 1728. *Lifting and Transferring Devices for Medicaid Recipients***
Requires the Department to make available to Medicaid recipients, not based on Medicare guidelines, freestanding, electric, lifting and transferring devices.
- Sec. 1729. *Bi-Partisan Joint Committee Identifying Medicaid Cost Reductions***
Establishes a bi-partisan joint committee that shall seek to identify at least \$40.0 million in Medicaid savings through cost reduction measures, such as fraud reduction, estate recovery, and enhanced information technology.
- Sec. 1730. *Case Rate for Inpatient Hospital Services Contingency***
Authorizes the Department to restore $\frac{1}{4}$ of the 4% Medicaid provider rate if the Department receives federal approval to establish a case rate for inpatient hospital services provided to the Medicaid optional parents and caretaker relatives.
- Sec. 1731. *Medicaid Asset Test***
Requires the Department to establish a Medicaid eligibility asset test for optional parents/caretaker relatives and 19 and 20 year olds. Also excludes coverage for 19 and 20 year olds whose parent or legal guardian has health care coverage or access to health coverage.

Sec. 1732. *Nursing Home QAAP Modification Assurance*

Assures that nursing home reimbursement rates will not be reduced to achieve general fund/general purpose savings if proposed modifications to the quality assurance assessment program for nursing homes are not implemented.

FY 2004-05 SUPPLEMENTAL ACTIONS

PUBLIC ACT 154 OF 2005 SUPPLEMENTAL APPROPRIATIONS

Sec. 2001. *State Spending*

Totals the state spending from state resources of the supplemental appropriations under Part 1A and state spending from state resources to be paid to local units of government of the supplemental appropriations.

Sec. 2002. *Authorized Appropriations*

Provides that appropriations authorized under this article are subject to the Management and Budget Act.
Provides that funds for which the state acts as a custodian or agent are not subject to annual appropriation.