

**Summary: Executive Budget Recommendation  
for Fiscal Years 2014-15 and 2015-16  
DEPARTMENT OF COMMUNITY HEALTH**



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	FY 2013-14 Year-to-Date as of 2/5/14	FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14		FY 2015-16 Executive	Difference: FY 2015-16 Vs. FY 2014-15	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$10,056,100	\$9,425,900	(\$630,200)	(6.3)	\$9,425,900	\$0	0.0
<b>Federal</b>	11,620,170,500	11,941,802,500	321,632,000	2.8	12,043,808,400	102,005,900	0.9
<b>Local</b>	251,820,200	216,656,400	(35,163,800)	(14.0)	216,656,400	0	0.0
<b>Private</b>	126,342,400	127,056,600	714,200	0.6	127,056,600	0	0.0
<b>Restricted</b>	2,178,580,800	2,140,657,600	(37,923,200)	(1.7)	2,140,657,600	0	0.0
<b>GF/GP</b>	2,747,583,600	2,938,968,800	191,385,200	7.0	2,978,509,700	39,540,900	1.3
<b>Gross</b>	<b>\$16,934,553,600</b>	<b>\$17,374,567,800</b>	<b>\$440,014,200</b>	<b>2.6</b>	<b>\$17,516,114,600</b>	<b>\$141,546,800</b>	<b>0.8</b>
<b>FTEs</b>	3,591.6	3,654.1	62.5	1.7	3,654.1	0.0	0.0

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2015-16 figures are projected budget amounts only and would not be legally binding appropriations. (4) FY 2013-14 year-to-date figures include appropriation adjustments in 2013 PA 102, and 2013 PA 107 for Medicaid Reform/Healthy Michigan Plan effective March 14, 2014, but based on the waiver, implemented on April 1, 2014.

**Overview**

The Department of Community Health budget provides funding for a wide range of behavioral health (mental health and substance abuse), public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>	FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
		FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
<b>1. Medicaid Cost Increases</b>	<b>Gross \$12,519,116,300</b>	<b>\$98,547,300</b>	<b>\$155,639,100</b>
Includes a FY 2014-15 increase of \$98.3 million Gross (\$37.0 million GF/GP) for caseload, utilization, and inflation adjustments in Medical Services, Behavioral Health Services, Children's Special Health Care Services, and the Federal Medicare Pharmaceutical program. Includes a FY 2014-15 FMAP adjustment of \$249,000 (\$79.7 million GF/GP; reduction of \$81.8 million Federal). The preliminary projection for FY 2015-16 is an increase of \$155.6 million Gross (\$53.6 million GF/GP).	Federal 8,502,877,500	(20,550,300)	102,005,900
	Restricted 1,892,460,100	2,416,700	0
	Local 45,970,200	0	0
	Private 2,100,000	0	0
	Merit Awd 81,766,000	0	0
	GF/GP \$1,993,942,500	\$116,680,900	\$53,633,200
	FTE 0.0	36.0	0.0
<b>2. Healthy Michigan Plan</b>	<b>Gross \$1,549,115,700</b>	<b>\$625,348,100</b>	<b>\$0</b>
Includes an increase of \$625.3 million Gross (reduction of \$63.6 million GF/GP) for a full-year of Healthy Michigan Plan implementation. The adjustments reflect changes in Behavioral Health Services, Medical Services Administration, and Medical Services. In Medical Services, the Plan First Family Planning Waiver and Medicaid Adult Benefits Waiver lines are zeroed out and removed. The Medicaid Adult Benefits Waiver line is also zeroed out and removed in Behavioral Health Services. Includes an increase of 36.0 FTEs for administration of the expanded program.	Federal 1,704,523,500	681,847,600	0
	Restricted 13,145,000	7,058,700	0
	Local 0	0	0
	Private 0	0	0
	GF/GP (\$168,552,800)	(\$63,558,200)	\$0

**Executive Changes**

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>	<b>FY 2013-14 YTD (as of 2/5/14)</b>	<b>FY 2013-14 to FY 2014-15</b>	<b>FY 2014-15 to FY 2015-16</b>
<b>3. Family Support Subsidy Program</b>			
Includes \$1.2 million reduction in TANF revenue supporting the Family Support Subsidy Program anticipating a projected caseload decrease of (0.3%) over the FY 2013-14 appropriated level and an average caseload of 6,809. The program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic.	<b>Gross</b> <b>\$19,364,900</b>	<b>(\$1,215,000)</b>	<b>\$0</b>
	TANF 19,364,900	(1,215,000)	0
	GF/GP \$0	\$0	\$0
<b>4. Mental Health Jail Diversion Council</b>			
Includes \$3.4 million GF/GP to support recommendations of the Mental Health Diversion Council. In accordance with Executive Order 2013-7, the Council was charged with the responsibility of implementing an action plan that improves upon efforts to divert individuals with mental illness and developmental disabilities from the criminal justice system to appropriate treatment. Additional funding of \$2.7 million GF/GP is included in the Department of Corrections and Judiciary budgets.	FTE 1.0	0.0	0.0
	<b>Gross</b> <b>\$1,630,000</b>	<b>\$3,350,000</b>	<b>\$0</b>
	GF/GP \$1,630,000	\$3,350,000	\$0
<b>5. Mental Health and Wellness Commission</b>			
Adds new ongoing funds of \$10.6 million GF/GP and one-time funds of \$5.0 million GF/GP for implementation of recommendations included in the State of Michigan Mental Health and Wellness Commission 2013 Report. In accordance with Executive Order 2013-6, the Commission was required to make recommendations addressing gaps in the delivery of mental health services and propose new models to strengthen the delivery system in the state.	<b>Gross</b> <b>N/A</b>	<b>\$15,620,000</b>	<b>\$0</b>
	GF/GP N/A	\$15,620,000	\$0
<b>6. Actuarially Sound Capitation Payment Rates Adjustment</b>			
Includes a capitation payment rate increase of 2.5% for Health Plans and 1.5% for Prepaid Inpatient Health Plans (PIHPs) to comply with federal requirements that rates for these managed care entities are actuarially sound in FY 2014-15. This adjustment results in an additional \$121.9 million Gross (\$42.0 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.	<b>Gross</b> <b>\$6,945,303,500</b>	<b>\$121,901,200</b>	<b>\$0</b>
	IDG 2,925,900	0	0
	Federal 4,732,604,900	79,894,100	0
	Restricted 1,318,458,800	0	0
	Local 39,086,400	0	0
	GF/GP \$852,227,500	\$42,007,100	\$0
<b>7. Immunization Registry</b>			
Sustains inclusion of \$89,300 GF/GP increase in funding for the Michigan Care Improvement immunization Registry (MCIR) that is included as a supplemental appropriation adjustment for FY 2013-14 in the YTD amount shown (2013 PA 102). This change restores the ongoing budget for MCIR to the FY 2012-13 funding level.	<b>Gross</b> <b>\$2,098,800</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP \$2,098,800	\$0	\$0
<b>8. Public Health Federal and Private Grants</b>			
Recognizes a net \$5.2 million reduction of federal and private grant funds for public health programs and family, maternal, and child health programs: including 6 new grants totaling \$14.2 million, 11 completed grants of \$15.9 million, and a net reduction of \$3.5 million in adjustments to 8 ongoing grants.	<b>Gross</b> <b>N/A</b>	<b>(\$5,173,200)</b>	<b>\$0</b>
	Federal N/A	(5,283,200)	0
	Private N/A	110,000	0
	GF/GP N/A	\$0	\$0
<b>9. Emergency Medical Services (EMS) Program</b>			
Provides \$1.0 million GF/GP to replace unrealized state restricted fee revenue from EMS licensure fee increases budgeted in FY 2013-14 that were not subsequently enacted in statute.	FTE 23.0	0.0	0.0
	<b>Gross</b> <b>\$6,187,400</b>	<b>\$0</b>	<b>\$0</b>
	Federal 908,900	0	0
	Restricted 4,887,800	(1,006,100)	0
	GF/GP \$390,700	\$1,006,100	\$0
<b>10. Bioterrorism Preparedness</b>			
Recognizes \$5.5 million reduction of federal bioterrorism grant funds for public health and hospital preparedness and response to bioterrorism and other public health threats and emergencies.	FTE 55.0	(3.0)	0.0
	<b>Gross</b> <b>\$35,466,400</b>	<b>(\$5,466,400)</b>	<b>\$0</b>
	Federal 35,466,400	(5,466,400)	0
	GF/GP \$0	\$0	\$0

**Executive Changes**

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>	<b>FY 2013-14 YTD (as of 2/5/14)</b>	<b>FY 2013-14 to FY 2014-15</b>	<b>FY 2014-15 to FY 2015-16</b>
<b>11. Maternal, Infant and Child Home Visiting Care Programs</b>	FTE 0.0	9.0	0.0
Includes increased FTEs and funding to expand home visiting programs for at-risk families, including 7.0 FTEs and \$6.0 million of increased funds from the federal maternal, infant, and early childhood home visiting program grant, and 2.0 FTEs and \$2.5 million GF/GP to expand home visit programs in rural northern Michigan and the Upper Peninsula for families with children, during pregnancy through age 5.	<b>Gross \$8,601,400</b>	<b>\$8,526,300</b>	<b>\$0</b>
	Federal 6,601,400	6,026,300	0
	GF/GP \$2,000,000	\$2,500,000	\$0
<b>12. University Autism Centers and Services</b>	<b>Gross \$2,500,000</b>	<b>\$1,000,000</b>	<b>\$0</b>
Provides an increase of \$1.0 million GF/GP for one-time funding for university autism centers and services, revises grants from \$500,000 each to 4 universities to \$1.0 million each to 3 universities, and revises line item name to University Autism Programs. Ongoing funding of \$500,000 for Eastern Michigan University is retained and moved from maternal and child health special projects to behavioral health administration in the budget.	GF/GP \$2,500,000	\$1,000,000	\$0
<b>13. Child and Adolescent Health Care Pilot</b>	<b>Gross N/A</b>	<b>\$2,000,000</b>	<b>\$0</b>
Provides a new one-time appropriation of \$2.0 million GF/GP for a child and adolescent health services pilot, for nursing and behavioral health care in schools provided by mobile health professional teams.	GF/GP N/A	\$2,000,000	\$0
<b>14. Crime Victim Services</b>	FTE 13.0	0.0	0.0
Increases funding by \$1.0 million for grants to county prosecutors for training and services for crime victims, with state restricted Crime Victim's Rights Fund monies. Also recognizes \$4.1 million reduction of federal Victims of Crime Act (VOCA) assistance grant for services to crime victims, and a negative adjustment of \$700,000 of federal VOCA funding for victim compensation.	<b>Gross \$37,775,200</b>	<b>(\$3,806,100)</b>	<b>\$0</b>
	Federal 23,494,800	(4,806,100)	0
	Restricted 14,280,400	1,000,000	0
	GF/GP \$0	\$0	\$0
<b>15. Senior Services Expansion and Fund Shift</b>	FTE 40.0	0.0	0.0
Provides an additional \$6.0 million GF/GP for increased services for Michigan seniors, including \$1.0 million to address elder abuse prevention supporting legislation enacted in 2012, \$3.2 million for in-home services, and \$1.8 million for home-delivered meal programs. The increases are intended to eliminate waiting lists for meals and in-home services. Also provides \$400,000 GF/GP for respite care program to replace a \$400,000 shortfall of state restricted funds from the Senior Care Respite Fund. Federal funds reduction of \$661,500 is also shown which reflects net funding adjustments for 5 grants for senior programs.	<b>Gross \$94,081,600</b>	<b>\$5,338,500</b>	<b>\$0</b>
	Federal 58,154,600	(661,500)	0
	Private 677,500	0	0
	Merit Awd 4,068,700	0	0
	Other Restr 1,800,000	(400,000)	0
	GF/GP \$29,380,800	\$6,400,000	\$0
<b>16. Health Insurance Claims Assessment (HICA)</b>	<b>Gross \$400,000,000</b>	<b>\$0</b>	<b>\$0</b>
Changes the identity of the \$110.0 million state restricted HICA revenue shortfall to an unidentified state restricted revenue authorization of a like amount. However, the recommendation acknowledges that the shift is pending legislation or an administrative remedy.	Restricted 400,000,000	0	0
	GF/GP \$0	\$0	\$0
<b>17. Eliminate Special Rural Hospital Payment</b>	<b>Gross \$35,629,500</b>	<b>(\$35,629,500)</b>	<b>\$0</b>
Includes a reduction of \$35.6 million Gross (\$12.0 million GF/GP) to eliminate special rural hospital payments. (Related boilerplate in section 1866 is also proposed for removal).	Federal 23,629,500	(23,629,500)	0
	GF/GP \$12,000,000	(\$12,000,000)	\$0
<b>18. Healthy Kids Dental Expansion</b>	<b>Gross N/A</b>	<b>\$15,670,300</b>	<b>\$0</b>
Continues the phase-in of the Healthy Kids Dental program with increased funding of \$15.6 million Gross (\$5.4 million GF/GP) to expand the program into Kalamazoo and Macomb counties, which will cover an estimated 100,000 children. If this recommendation is funded, remaining counties for future program expansion include Kent, Oakland, and Wayne.	Federal N/A	10,270,300	0
	GF/GP N/A	\$5,400,000	\$0

**Executive Changes**

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 YTD (as of 2/5/14)</b>	<b>FY 2013-14 to FY 2014-15</b>	<b>FY 2014-15 to FY 2015-16</b>
<b>19. Primary Care Rate Increase – Partial Continuation</b>	<b>Gross</b>	<b>\$385,000,000</b>	<b>(\$309,550,200)</b>	<b>\$0</b>
Continues, in part, a rate increase for primary care providers that was included temporarily with 100% federal funds from the Affordable Care Act. Includes an increase of \$75.4 million Gross (\$26.0 million GF/GP) to extend the rate increase at roughly half of ACA levels on an ongoing basis. Full federal payment of the increased rate continues through calendar year 2014, so this adjustment reflects three-quarters of the year.	Federal	385,000,000	(335,550,200)	0
	GF/GP	\$0	\$26,000,000	\$0
<b>20. MIChoice – Waiting List Elimination</b>	<b>Gross</b>	<b>\$299,895,900</b>	<b>\$26,177,900</b>	<b>\$0</b>
Includes an increase of \$26.2 million Gross (\$9.0 million GF/GP) to expand the home- and community-based services (MIChoice) program. It is intended to eliminate the program waiting list and serve an additional 1,250 individuals. Includes a net zero transfer of \$7.7 million from the Long Term Care Services line to the Program of All-Inclusive Care for the Elderly (PACE) line to expand the program into Genesee, Ingham, and Saginaw counties.	Federal	192,309,500	17,157,000	0
	Local	265,000	0	0
	GF/GP	\$107,321,400	\$9,020,900	\$0
<b>21. University Disproportionate Share Hospital Backfill</b>	<b>Gross</b>	<b>\$15,309,000</b>	<b>(\$5,610,800)</b>	<b>\$0</b>
Increases GF/GP by \$5.6 million, ongoing, for the Wayne State Psychiatric Residency program. The increase partially offsets a reduction of \$8.5 million Gross (\$0 GF/GP) in disproportionate share hospital (DSH) payments that are no longer available. Includes an increase of \$4.1 million GF/GP, one-time, for the University of Detroit Dental program. The increase partially offsets a reduction of \$6.9 million Gross (\$0 GF/GP) in DSH payments that are no longer available.	Federal	10,152,900	(10,152,900)	0
	Restricted	5,156,100	(5,156,100)	0
	GF/GP	\$0	\$9,698,200	\$0
<b>22. Merit Award Fund Shift – Distressed Communities Assistance</b>	<b>Gross</b>	<b>\$81,766,000</b>	<b>\$0</b>	<b>\$0</b>
Includes a \$17.5 million fund shift from GF/GP to replace a like amount of Merit Award Trust Fund revenue. The Governor proposes reserving the Merit Award Trust Fund revenue for distressed communities purposes. To avoid a shortfall, this transfer replaces Merit Award funds with GF/GP.	Merit Awd	81,766,000	(17,500,000)	0
	GF/GP	\$0	\$17,500,000	\$0
<b>23. Graduate Medical Education (GME)</b>	<b>Gross</b>	<b>\$4,314,200</b>	<b>(\$4,314,200)</b>	<b>\$0</b>
Removes \$4.3 million Gross (\$1.4 GF/GP) in one-time GME funding. No adjustments are proposed to ongoing GME funds in the Medical Services unit. (Related boilerplate sections 1740, 1846, and 1870 are also proposed for removal).	Federal	2,864,200	(2,864,200)	0
	GF/GP	\$1,450,000	(\$1,450,000)	\$0
<b>24. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$8,789,500</b>	<b>\$0</b>
Includes a net increase of \$8.8 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increases (2.0% ongoing increase plus 0.5% lump sum increase), actuarially-required retirement rate increases, and economic adjustments for worker's compensation, building occupancy, and rent.	IDG	N/A	27,900	0
	Federal	N/A	2,042,100	0
	Restricted	N/A	452,700	0
	Local	N/A	3,018,400	0
	Private	N/A	4,200	0
	GF/GP	N/A	\$3,244,200	\$0

**Major Boilerplate Changes From FY 2013-14**

**Executive Boilerplate Deletions**

The Executive Budget deletes a significant amount of boilerplate language included in the FY 2013-14 budget. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections proposed to be deleted.

**GENERAL SECTIONS**

**Sec. 4-297. Legacy Costs – NEW**

Specifies that the total authorized appropriations for FY 2014-15 legacy costs are \$89,124,600 in which the pension-related legacy costs are estimated at \$49,676,000 and the retiree health care legacy costs are estimated at \$39,448,600.

**BEHAVIORAL HEALTH SERVICES**

**Sec. 403. Mental Health Services for Special Populations – REVISED**

Revises language in which the DCH is required to competitively award grants for mental health services for special populations and the state is not held liable for any spending above the contract amount.

**HEALTH POLICY**

**Sec. 712. Free Health Clinic Funding - DELETED**

Allocates \$250,000 to free health clinics from the funds appropriated for primary care services, to be distributed equally to each free health clinic. Defines free health clinic.

**FAMILY, MATERNAL, AND CHILDREN’S HEALTH SERVICES**

**Sec. 1119. No Use of Funds to Encourage or Support Abortion Services - DELETED**

Directs that no state funds appropriated for family planning local agreements or pregnancy prevention programs shall be used to encourage or support abortion services.

**Sec. 1135. School Health Education Curriculum - DELETED**

Establishes that if funds become available, provision of a school health education curriculum shall be in accordance with health education goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request.

**CRIME VICTIM SERVICES COMMISSION**

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

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training.

**MEDICAL SERVICES**

**Sec. 1502. Transparency Database/Website – DELETED**

Requires the Department to spend \$300,000 GF/GP and any associated federal match to create a transparency database website. Enabling legislation is required.

**Sec. 1607. Pregnant Women Enrollment and Services – DELETED**

Stipulates that Medicaid applicants whose qualifying condition is pregnancy shall be presumed to be eligible unless the preponderance of 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. Specifies that obstetrical and prenatal care claims are to be paid at Medicaid fee-for-service rates if there is no contract between provider and managed care plan. Mandates enrollment of Medicaid eligible pregnant women into Medicaid HMOs and requires DCH to encourage physicians to provide these women a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

**Sec. 1670. MICHild Eligibility and Services – REVISED**

Increases eligibility range as a percentage of the federal poverty level from 150% - 200% to 160% - 212%.

**Sec. 1682. Civil Monetary Penalty Funds for Independent Living – REVISED**

Removes subsection (3), which allows DCH to provide civil monetary penalty funds to centers for independent living to assist individuals with disabilities who reside in nursing homes to return to their own homes, and subsection (4), which allows DCH to use the same source of funds to conduct a customer/resident satisfaction survey of nursing home residents.

**Sec. 1764. Actuarial Soundness Rate Certification – DELETED**

Requires DCH to annually certify that rates paid to Medicaid health plans and specialty prepaid inpatient health plans are actuarially sound and to notify the House, Senate, and fiscal agencies immediately upon rate certification and approval. The DCH shall include an economic impact of the approved rates on Medicaid health plans.

**Supplemental Recommendations for FY 2013-14 Appropriations**

**FY 2013-14 Recommendation**

**1. Family Support Subsidy Program**

Includes a \$1.2 million reduction in TANF revenue supporting the Family Support Subsidy Program anticipating a projected caseload decrease of (0.3%) over the FY 2013-14 appropriated level.

**Gross (\$1,215,000)**  
TANF (1,215,000)  
GF/GP \$0

**2. Community Mental Health (CMH) Non-Medicaid Services**

Includes an increase of \$8.0 million GF/GP in the CMH Non-Medicaid Services line item, in conjunction with a corresponding reduction in the federal Medicaid revenue supporting the Healthy Michigan Plan – Behavioral Health line item, to reflect a FY 2013-14 revised estimate of savings for CMH non-Medicaid services.

**Gross \$0**  
Federal (8,018,000)  
GF/GP \$8,018,000

**Supplemental Recommendations for FY 2013-14 Appropriations**

**FY 2013-14  
Recommendation**

**3. Healthy Michigan Plan – Immediate Effect Adjustment**

Adjusts the appropriations included in P.A. 107 of 2013 to reflect the number of months the enacted changes are expected to be in effect. The FY 2013-14 budgetary adjustments in P.A. 107 were based on an effective date of January 1, 2014, or nine months (January – September). Because programmatic changes are not expected to occur until April 1, 2014, these adjustments reverse the first three months to reflect an April – September enrollment period. Also increases federal authorization for expansion-related administrative costs by \$40.0 million. P.A. 107 included \$20.0 million Federal and \$20.0 million GF/GP for administration. The increase is necessary based on (1) an additional review of the work required for changes included in P.A. 107 and (2) new information about available federal match rates, which, in the aggregate, will be higher than the conventional 50/50 rate for Medicaid administration.

<b>Gross</b>	<b>(\$455,377,400)</b>
Federal	(515,413,300)
Restricted	(5,224,400)
GF/GP	\$65,260,300

**4. Medicaid Cost Adjustments**

Includes an increase of \$40.9 million Gross (\$5.9 million GF/GP) for caseload, inflation, and utilization for Medical services, behavioral health services, children’s special health care services, and other health services programs.

<b>Gross</b>	<b>\$40,909,600</b>
Federal	34,992,300
GF/GP	\$5,917,300

**5. Replace Declining School Based Services Revenue**

Recognizes lower GF/GP savings from school-based services program claims with a \$19.4 million Gross reduction (increase of \$12.9 million GF/GP).

<b>Gross</b>	<b>(\$19,400,000)</b>
Federal	(32,333,300)
GF/GP	\$12,933,300

**6. Dual Eligibles to Managed Care – Restoration of Unrealized Savings**

Restores \$5.3 million Gross (\$1.8 million GF/GP) of unrealized savings related to integration of dual eligibles into managed care. Incorporates related net zero special financing and graduate medical education (GME) payment adjustments between Medicaid line items.

<b>Gross</b>	<b>\$5,286,800</b>
Federal	3,465,000
GF/GP	\$1,821,800

**7. Special Payment Alignment**

Includes a reduction of \$44.1 million Gross (\$0 GF/GP) to align special payment revenues with anticipated expenditures.

<b>Gross</b>	<b>(\$44,139,700)</b>
Federal	(28,767,700)
Local	(4,940,000)
Restricted	(10,432,000)
GF/GP	\$0