

**DEPARTMENT OF COMMUNITY HEALTH**  
**Summary of FY 2014-15 Enacted Appropriations**  
**Article IV, 2014 Public Act 252 (House Bill 5313)**



**Analysts: Margaret Alston, Matthew Ellsworth, Susan Frey**  
**Associate Director: Steve Stauff**

	<b>FY 2013-14 YTD as of 2/5/14</b>	<b>FY 2014-15 Executive</b>	<b>FY 2014-15 House</b>	<b>FY 2014-15 Senate</b>	<b>FY 2014-15 Enacted</b>	<b>Difference: Enacted From FY 2013-14 YTD</b>	
						<b>Amount</b>	<b>%</b>
<b>IDG/IDT</b>	\$10,056,100	\$9,425,900	\$9,425,900	\$9,425,900	\$9,425,900	(\$630,200)	(6.3)
<b>Federal</b>	11,620,170,500	11,941,802,500	12,026,645,400	12,046,130,700	12,557,686,100	937,515,600	8.1
<b>Local</b>	251,820,200	216,656,400	216,656,400	216,656,400	220,102,400	(31,717,800)	(12.6)
<b>Private</b>	126,342,400	127,056,600	127,056,600	127,056,600	127,056,600	714,200	0.6
<b>Restricted</b>	2,178,580,800	2,140,657,600	2,048,623,700	2,034,663,400	2,061,403,500	(117,177,300)	(5.4)
<b>GF/GP</b>	2,747,583,600	2,938,968,800	3,036,792,800	3,058,969,100	3,239,701,400	492,117,800	17.9
<b>Gross</b>	<b>\$16,934,553,600</b>	<b>\$17,374,567,800</b>	<b>\$17,465,200,800</b>	<b>\$17,492,902,100</b>	<b>\$18,215,375,900</b>	<b>\$1,280,822,300</b>	<b>7.6</b>
<b>FTEs</b>	3,591.6	3,654.1	3,654.1	3,651.1	3,654.1	62.5	1.7

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Executive figures do not reflect revisions submitted subsequent to House subcommittee action. (3) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (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 programs and services which includes behavioral health (mental health and substance use disorder), 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.

**Major Budget Changes From FY 2013-14 YTD Appropriations**

**1. Medicaid Cost Increases**

Includes a FY 2014-15 increase of \$83.2 million Gross (\$103.0 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 Gross (\$79.7 million GF/GP; reduction of \$83.5 million Federal).

	<b>FY 2013-14 YTD (as of 2/5/14)</b>	<b>Enacted Change From YTD</b>
<b>Gross</b>	<b>\$12,525,311,200</b>	<b>\$83,158,400</b>
IDG	6,194,900	143,700
Federal	8,502,877,500	(24,014,300)
Local	45,970,200	501,600
Restricted	1,892,460,100	3,484,800
Private	2,100,000	0
Merit Awd	81,766,000	0
GF/GP	\$1,993,942,500	\$103,042,600

**2. Healthy Michigan Plan**

Includes an increase of \$625.3 million Gross (reduction of \$79.6 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.

FTE	0.0	36.0
<b>Gross</b>	<b>\$1,549,115,700</b>	<b>\$625,348,100</b>
Federal	1,704,523,500	697,883,600
Restricted	13,145,000	7,058,700
GF/GP	(\$168,552,800)	(\$79,594,200)

<b><u>Major Budget Changes From FY 2013-14 YTD Appropriations</u></b>		<b><u>FY 2013-14 YTD (as of 2/5/14)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. Family Support Subsidy Program</b>	<b>Gross</b>	<b>\$19,364,900</b>	<b>(\$1,215,000)</b>
Includes a \$1.2 million reduction in TANF revenue supporting the Family Support Subsidy Program anticipating a projected 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.	TANF	19,364,900	(1,215,000)
	GF/GP	\$0	\$0
<b>4. Mental Health Jail Diversion Council</b>	FTE	1.0	0.0
Adds \$3.4 million GF/GP to the Behavioral Health Program Administration line item appropriation 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. Section 495 is related boilerplate language.	<b>Gross</b>	<b>\$1,630,000</b>	<b>\$3,350,000</b>
	GF/GP	\$1,630,000	\$3,350,000
<b>5. Mental Health and Wellness Commission</b>	<b>Gross</b>	<b>N/A</b>	<b>\$36,525,000</b>
Adds new ongoing funds of \$27.6 million Gross (\$9.3 million GF/GP) and one-time funds of \$9.0 million Gross (\$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.	Federal	N/A	22,205,000
	GF/GP	N/A	\$14,320,000
<b>6. Actuarially Sound Capitation Payment Rates Adjustment</b>	<b>Gross</b>	<b>\$6,945,303,500</b>	<b>\$121,901,200</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 Use Disorder Services, and Health Plan Services line items.	IDG	2,925,900	0
	Federal	4,732,604,900	79,894,100
	Restricted	1,318,458,800	0
	Local	39,086,400	0
	GF/GP	\$852,227,500	\$42,007,100
<b>7. Community Mental Health (CMH) Non-Medicaid Services</b>	<b>Gross</b>	<b>\$130,757,600</b>	<b>\$16,036,000</b>
Increases the funding for the CMH Non-Medicaid Services line item by \$8.0 million GF/GP to reflect a revision in the savings that will be achieved in FY 2013-14 due to implementation of the Healthy Michigan Plan on April 1, 2014 and annualizes the increased funding in FY 2014-15. Section 506 is related boilerplate language.	GF/GP	\$130,757,600	\$16,036,000
<b>8. Healthy Michigan Plan – Behavioral Health</b>	<b>Gross</b>	<b>\$288,646,900</b>	<b>\$38,813,700</b>
Increases the federal Medicaid revenue supporting the Healthy Michigan Plan – Behavioral Health line item by \$38.8 million to reflect estimated expenditures consistent with an actuarial analysis.	Federal	288,646,900	38,813,700
	GF/GP	\$0	\$0
<b>9. Anti-Human Trafficking Efforts</b>	<b>Gross</b>	<b>N/A</b>	<b>\$200,000</b>
Includes \$200,000 GF/GP for a new line item appropriation within Sec. 102 Departmentwide Administration appropriation unit that will support efforts to combat human trafficking in Michigan.	GF/GP	N/A	\$200,000
<b>10. Healthy Kids Dental Computer Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,000,000</b>
Adds one-time appropriation of \$3.0 million Gross (\$300,000 GF/GP) to enable the DCH to update the Medicaid computer system so that the Healthy Kids Dental program could be expanded by zip code rather than by only county.	Federal	N/A	2,700,000
	GF/GP	N/A	\$300,000

<b><u>Major Budget Changes From FY 2013-14 YTD Appropriations</u></b>		<b><u>FY 2013-14 YTD (as of 2/5/14)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>11. Diabetes Prevention</b>	<b>Gross</b>	<b>\$650,000</b>	<b>\$150,000</b>
Provides \$150,000 GF/GP increase for diabetes prevention projects, as funded in the Health and Wellness Initiatives line item. Diabetes prevention is also funded at \$1.9 million in the Diabetes and Kidney Program line item.	GF/GP	\$650,000	\$150,000
<b>12. Breast Cancer Screening and Services</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
Provides new funding of \$500,000 GF/GP for breast cancer screening and services, as supported by the Health and Wellness Initiatives line item. Cancer prevention is also funded at \$15.0 million in the Cancer Prevention and Control Program line item.	GF/GP	\$0	\$500,000
<b>13. Infectious Disease Control Appropriations Placement</b>	FTE	49.5	0.0
Eliminates the Infectious Disease Control appropriation unit and transfers line items: Pediatric AIDS line is rolled up into AIDS program line item and transferred to the Chronic Disease appropriation unit; Immunization and STD program line items are transferred to the renamed Epidemiology and Infectious Disease appropriation unit.	<b>Gross</b>	<b>\$91,610,300</b>	<b>\$0</b>
	Federal	42,783,000	0
	Private	38,278,400	0
	Restricted	7,696,700	0
	GF/GP	\$2,852,200	\$0
<b>14. Immunization Registry</b>	<b>Gross</b>	<b>\$2,098,800</b>	<b>\$0</b>
Restores Michigan Care Improvement immunization Registry (MCIR) funding to FY 2012-13 level with increase of \$89,300 GF/GP, in the Health and Wellness Initiatives line item. Increase is reflected in the YTD amount shown, due to FY 2013-14 supplemental appropriation. Funding is in addition to Immunization Program line item funding of \$15.0 million.	Restricted	2,009,500	0
	GF/GP	\$89,300	\$0
<b>15. Emergency Medical Services (EMS) Program</b>	<b>Gross</b>	<b>\$6,187,400</b>	<b>\$0</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 into statute.	Federal	908,900	0
	Restricted	4,887,800	(1,006,100)
	GF/GP	\$390,700	\$1,006,100
<b>16. Statewide Trauma System – One-Time Funding</b>	<b>Gross</b>	<b>\$3,500,000</b>	<b>\$1,300,000</b>
Provides new one-time funding of \$1.3 million GF/GP for the statewide trauma system, and adds Section 1904 boilerplate to direct funding to statewide systems for trauma, stroke, and other time-dependent systems of care. Note: year-to-date funding shown is ongoing.	Restricted	3,500,000	0
	GF/GP	\$0	\$1,300,000
<b>17. Michigan Essential Health Provider Loan Repayment Program</b>	<b>Gross</b>	<b>\$2,491,300</b>	<b>\$1,100,000</b>
Provides an increase of \$500,000 GF/GP for the Michigan Essential Health Provider State Loan Repayment Program, and recognizes \$600,000 of increased private matching funds, to assist primary care providers with repayment of medical education loans in exchange for service.	Federal	1,236,300	0
	Private	255,000	600,000
	GF/GP	\$1,000,000	\$500,000
<b>18. Island Health Clinics</b>	<b>Gross</b>	<b>\$325,000</b>	<b>\$0</b>
Transfers \$325,000 GF/GP for primary care services at 4 island health clinics from a one-time appropriation line item into the existing Primary Care Services line item to establish the funding as ongoing.	GF/GP	\$325,000	\$0
<b>19. Rural Health Care</b>	<b>Gross</b>	<b>\$1,531,500</b>	<b>\$24,000</b>
Provides increased funding of \$24,000 GF/GP for rural health services, as contracted through Michigan Center for Rural Health.	Federal	1,380,500	0
	GF/GP	\$151,000	\$24,000
<b>20. Essential Local Public Health Services</b>	<b>Gross</b>	<b>\$39,386,100</b>	<b>\$1,500,000</b>
Increases funding to local public health departments by \$1.5 million GF/GP for essential local public health services: immunization, infectious disease control, sexually transmitted disease control, hearing and vision screening for children, food protection, public water and private groundwater supplies, and on-site sewage management, pursuant to Part 24 of the Public Health Code.	Local	5,150,000	0
	GF/GP	\$34,236,100	\$1,500,000

<b><u>Major Budget Changes From FY 2013-14 YTD Appropriations</u></b>		<b><u>FY 2013-14 YTD (as of 2/5/14)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>21. Alzheimer's Disease Pilot Programs</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000</b>
Provides new funding of \$150,000 GF/GP for a pilot program in 3 counties of in-home support and care services for persons with Alzheimer's Disease to extend the period that a person can remain at home, and for evaluation of the program. New related Section 1001 boilerplate is included.	GF/GP	\$0	\$150,000
<b>22. Lead Hazard Remediation and Abatement</b>	<b>Gross</b>	<b>\$4,212,400</b>	<b>\$500,000</b>
Provides additional funding of \$500,000 GF/GP for lead abatement of homes, in the Healthy Homes line item. Safe removal of lead is conducted in older homes in areas with high incidence of lead-poisoned children. Related Section 851 boilerplate is revised.	Federal	2,175,900	0
	Private	76,400	0
	Restricted	710,100	0
	GF/GP	\$1,250,000	\$500,000
<b>23. Bone Marrow Donor Tissue Typing – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$250,000</b>
Provides \$250,000 GF/GP of new one-time funding for blood bank tissue typing expenses associated with a bone marrow donor registry "Be the Match" program. New related Section 1905 boilerplate is included.	GF/GP	\$0	\$250,000
<b>24. Maternal, Infant, and Child Home Visiting Care Programs</b>	FTE	0.0	9.0
Expands home visiting programs for at-risk families including: a) 7.0 FTEs and \$6.0 million of increased funds from federal maternal, infant, and early childhood home visiting program grants, and b) 2.0 FTEs and \$2.25 million GF/GP to expand home visit programs in rural northern Michigan and the Upper Peninsula for families with children, during pregnancy to age 5, including related new Section 1140 boilerplate.	<b>Gross</b>	<b>\$8,601,400</b>	<b>\$8,276,300</b>
	Federal	6,601,400	6,026,300
	TANF	0	0
	GF/GP	\$2,000,000	\$2,250,000
<b>25. Alternative Pregnancy and Parenting Support Program</b>	<b>Gross</b>	<b>\$700,000</b>	<b>\$100,000</b>
Provides an increase of \$100,000 GF/GP for the alternative pregnancy and parenting support services program which promotes childbirth and alternatives to abortion. Modifies related Section 1136 boilerplate to include grief counseling services and add a report to the Legislature.	GF/GP	\$700,000	\$100,000
<b>26. Autism - University/Assistance Programs - One-Time &amp; Ongoing</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$6,500,000</b>
Makes the following one-time funding changes for university autism programs: a) one-time GF/GP funding is increased from \$2.0 to \$3.0 million, supporting increased grants to Western Michigan (WMU) and Eastern Michigan (EMU), and a new grant to Michigan State; b) new one-time funding of \$4.0 million from the Autism Coverage Fund supports continuation of \$500,000 grants to Central Michigan and Oakland University, and additional funding of \$3.0 million to WMU; and c) new one-time funding of \$1.5 million from the Autism Coverage Fund is provided to the Autism Alliance for assistance to families in choosing treatment and services, in a separate line item. In addition, ongoing funding of \$500,000 to EMU is retained and transferred from maternal and child health special projects to behavioral health administration within the budget. Section 1902 boilerplate is modified to reflect the one-time funding changes.	Autism CF	0	5,500,000
	GF/GP	\$2,500,000	\$1,000,000
<b>27. Child/Adolescent School Health Care Pilot – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,000,000</b>
Includes new one-time funding of \$2.0 million GF/GP for a child and adolescent health services pilot program, for nursing and behavioral health care in schools provided by mobile health professional teams.	GF/GP	\$0	\$2,000,000
<b>28. Pay for Success Maternal/Child Programs – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,500,000</b>
Includes new one-time funding of \$1.5 million GF/GP for a Pay for Success Contracts pilot program, to provide services with improved outcomes and lower costs using vendor payment after demonstrated performance and savings. Pilot will focus on home visit programs for mothers and infants, and wraparound/multi-partner community and school-based services in high risk neighborhoods. Section 1906 is related new boilerplate, which also establishes the appropriation as a work project through FY 2018-19.	GF/GP	\$0	\$1,500,000

<b><u>Major Budget Changes From FY 2013-14 YTD Appropriations</u></b>		<b><u>FY 2013-14 YTD (as of 2/5/14)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>29. Crime Victim Services</b>	<b>Gross</b>	<b>\$37,775,200</b>	<b>(\$3,806,100)</b>
Increases funding by \$1.0 million for grants to county prosecutors for staff training and for services for crime victims, with state restricted Crime Victim's Rights Fund monies. Also recognizes federal Victims of Crime Act (VOCA) grant reductions of \$4.1 million for victim services, and \$700,000 for victim compensation.	Federal	23,494,800	(4,806,100)
	Restricted	14,280,400	1,000,000
	GF/GP	\$0	\$0
<b>30. Senior Services Expansion and Fund Shift</b>	<b>Gross</b>	<b>\$94,081,600</b>	<b>\$5,338,500</b>
Provides \$6.0 million GF/GP increase for services for seniors and to eliminate waiting lists, including: \$1.0 million for elder abuse prevention supporting legislation enacted in 2012, \$3.2 million for in-home services, and \$1.8 million for home-delivered meals. Also replaces a \$400,000 shortfall of state restricted funds with GF/GP for senior respite care services. Also includes net \$661,500 reduction of federal grant funds.	Federal	58,154,600	(661,500)
	Private	677,500	0
	Merit Awd	4,068,700	0
	Restricted	1,800,000	(400,000)
	GF/GP	\$29,380,800	\$6,400,000
<b>31. Senior Olympics – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
Provides new one-time funding of \$100,000 GF/GP for the Senior Olympics. This program has been funded occasionally in past fiscal years, most recently in FY 2008-09.	GF/GP	\$0	\$100,000
<b>32. Health Insurance Claims Assessment (HICA)</b>	<b>Gross</b>	<b>\$420,203,700</b>	<b>\$580,095,500</b>
Incorporates budgetary adjustments stemming from P.A. 161 and P.A. 162 (SBs 893 and 913) of 2014, which a) reinstate the 6% Use Tax on services provided by Medicaid managed care entities and b) reduce the HICA rate from 1.00% to 0.75%. The policy changes and resultant budgetary adjustments are expected to address the HICA shortfall while in effect.	Federal	0	429,558,300
	Restricted	420,203,700	(187,550,900)
	GF/GP	\$0	\$338,088,100
<b>33. Special Rural Hospital Payments</b>	<b>Gross</b>	<b>\$35,629,500</b>	<b>\$0</b>
Continues rural hospital payments in the current year amounts.	Federal	23,629,500	0
	Restricted	0	0
	GF/GP	\$12,000,000	\$0
<b>34. Primary Care Rate Increase – Partial Continuation</b>	<b>Gross</b>	<b>\$156,333,300</b>	<b>(\$83,785,400)</b>
Partially continues a rate increase for primary care providers that was initially introduced in 2013. The rate increase was included temporarily with 100% federal funds from the Affordable Care Act. Full federal payment of the increased rate continues through calendar year 2014, after which states have the option to continue the higher rate at the regular FMAP. The FY 2014-15 enacted budget partially continues the rate with \$72.5 million Gross (\$25.0 million GF/GP).	Federal	156,333,300	(108,785,400)
	GF/GP	\$0	\$25,000,000
<b>35. Other Provider Rate Increases</b>	<b>Gross</b>	<b>N/A</b>	<b>\$15,192,800</b>
Includes provider rate increases in the amount of \$15.2 million Gross (\$5.2 million GF/GP) for OB/GYN, personal care, and dialysis services.	Federal	N/A	9,957,300
	GF/GP	N/A	\$5,235,500
<b>36. Graduate Medical Education (GME)</b>	<b>Gross</b>	<b>\$4,314,200</b>	<b>\$0</b>
Continues one-time GME funding at current year levels, and moves the full amount from one-time to ongoing in the Hospital Services and Therapy line. (Also removes related boilerplate Sections 1740 and 1903, and modifies Sections 1846 and 1870).	Federal	2,864,200	0
	GF/GP	\$1,450,000	\$0
<b>37. Roads and Risks Reserve Funds</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Includes a fund shift of \$60.9 million from GF/GP to the Roads and Risks Reserve (RRR) fund in the Health Plan Services line.	RRR	N/A	60,900,000
	GF/GP	N/A	(\$60,900,000)
<b>38. Affordable Care Act Insurance Fee Reserve</b>	<b>Gross</b>	<b>N/A</b>	<b>\$87,057,500</b>
Provides \$87.1 million Gross (\$30.0 million GF/GP) to hold Medicaid health plans harmless for the insurance provider's fee included in the Affordable Care Act. The amount of the federal fee is not yet finalized, so the funds are appropriated in a new Health Insurer Fee Reserve Fund line that is available only as outlined in boilerplate Sec.1765.	Federal	N/A	57,057,500
	GF/GP	N/A	\$30,000,000

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>	<u>FY 2013-14 YTD (as of 2/5/14)</u>	<u>Enacted Change From YTD</u>
<b>39. Minimum Wage Increase – Adult Home Help</b>	<b>Gross</b>	<b>N/A</b>
Includes an increase of \$5.0 million Gross (\$1.7 million GF/GP) for wage increases to Medicaid adult home help workers. The increase complies with the minimum wage increase included in P.A. 138 of 2014.	Federal	\$5,044,700
	GF/GP	3,306,300
		\$1,738,400
<b>40. PACE Expansion</b>	<b>Gross</b>	<b>N/A</b>
Includes a net zero transfer of \$7.7 million Gross from the Long Term Care Services line to the Program for All-Inclusive Care for the Elderly (PACE) line. The transfer will fund program expansion into Genesee, Ingham, and Saginaw counties. Also includes the addition of 1.0 FTE and associated funding (\$125,000 Gross; \$62,500 GF/GP) to assist in administering the expanded program.	Federal	\$125,000
	GF/GP	62,500
		\$62,500
<b>41. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Includes a net increase of \$8.8 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increase (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	\$8,789,500
	Federal	27,900
	Restricted	2,042,100
	Local	452,700
	Private	3,018,400
	GF/GP	4,200
		\$3,244,200

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

**GENERAL SECTIONS**

**Sec. 204. Benchmarks for New Programs or Program Increases – NEW**

Requires the following of DCH: identify specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures for each new program or program expansion exceeding a Part 1 appropriation of \$500,000; report on the proposed benchmarks; and provide an update on its progress in achieving those benchmarks. Also, expresses Legislature's intent that, beginning with the FY 2015-16 budget, any proposal for a new program or expansion of an existing program in excess of \$500,000 include a list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase as part of the original proposal or budget request.

**Sec. 252. Appropriations for Healthy Michigan Plan – NEW**

Specifies Part 1 appropriations for the Healthy Michigan Plan (HMP) are contingent upon 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the HMP. Also, specifies that if those actions occur, the remaining funds in the HMP are to be used only to pay previously incurred costs.

**Sec. 282. Performance Metrics for Contracts – REVISED**

Requires DCH to work with the Department of Technology, Management, and Budget to establish an automated annual metric collection, validation, and reporting system for contracts via the state's e-procurement system by September 30, 2015. Requires DCH to report the status of this work and a project plan by October 1, 2014 and May 1, 2015. Also, requires the Department to generate a June 30, 2016 report that presents performance metrics on all new or existing contracts at renewal of \$1.0 million or more funded only with state general fund/general purpose or state restricted resources. The performance metrics must include, at a minimum, service delivery volumes and provider or beneficiary outcomes.

**Sec. 288. Services and Administrative Limitations for New Contracts – NEW**

Requires that no less than 90% of a new department contract supported solely from state restricted funds or general fund/general purpose funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services. Applies limitation to services after the first year of the contract. Allows DCH to make exceptions to the limitation on administrative and service costs. Requires a report by September 30, 2015 on the rationale for all exceptions made to the limitation and the number of contracts terminated due to violations of this provision in law.

**Sec. 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.

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

### **BEHAVIORAL HEALTH SERVICES**

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

Permits the Department to require each contractor of mental health services for special populations to provide data and information on performance-related metrics which may include all of the following: a mission that is consistent with the purpose of the funding; demonstration of cost-effectiveness; ability to leverage private dollars to strengthen and maximize service provision; and timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet stated goals. Requires DCH and DHS to convene a workgroup to discuss and make recommendations on including accreditation in the contractor specifications and potentially moving toward competitive bidding.

#### ***Sec. 502. Fetal Alcohol Syndrome Services – REVISED***

Requires the Department to continue developing an outreach program on fetal alcohol syndrome services and report on efforts to prevent, combat, and reduce the incidence of fetal alcohol syndrome. Requires the DCH to also explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women. Mandates the DCH submit a progress report by April 1, 2015.

#### ***Sec. 506. Report on CMH Non-Medicaid Services Expenditures – NEW***

Requires the DCH to provide the most recent cost data information submitted by the CMHSPs on how CMH non-Medicaid services funding were expended by each CMHSP. Requires the information to include general fund/general purpose costs for administration, prevention, jail diversion and treatment services, MICHild program, children's waiver home care program, children with serious emotional disturbance waiver program, services provided to individuals with mental illness and developmental disabilities who are not eligible for Medicaid, and the Medicaid spend down population.

### **PUBLIC HEALTH ADMINISTRATION**

#### ***Sec. 654. Before- and After-School Healthy Exercise Program – REVISED***

Revises the before- and after-school healthy exercise program for children in kindergarten through grade 6 to a school children's healthy exercise program for kindergarten through grade 8. Also establishes that no less than ½ of the funds shall be granted for before- and after-school programs, revised from 100%.

### **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

#### ***Sec. 852. Childhood and Adolescent Immunization Rates - NEW***

Requires the Department to develop a plan designed to improve Michigan's childhood and adolescent immunization rates.

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

#### ***Sec. 1108. Prohibit Use of Pregnancy Prevention Funds for Abortion Counseling, Referrals, Services – REVISED and Sec. 1119. No Use of Funds to Encourage or Support Abortion Services – DELETED***

Combines Sections 1108 and 1119 as a revised Section 1108, and deletes Section 1119. Revised Section 1108 language states that the Department shall not use state restricted or GF/GP funds appropriated in the family planning local agreements or pregnancy prevention program line items for abortion counseling, referrals, or services.

#### ***Sec. 1135. School Health Education Curriculum – DELETED***

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

#### ***Sec. 1139. Housing Rehabilitation and Hazard Abatement Program Task Force and Report – NEW***

Requires the Department to establish a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies, in collaboration with Department of Human Services and the Michigan State Housing Development Authority; establishes task force membership; and requires a report by March 1, 2015 of recommendations for integrating and coordinating projects to maximize resources while serving more families and achieving better outcomes.

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

#### ***Sec. 1151. Report on Access and Savings Regarding Generic Peanut Butter Purchasing Requirement – NEW***

Requires the Department to report by January 1, 2015 on the number of complaints received regarding access to generic peanut butter, and the savings gained, both as related to recent implementation of generic peanut butter purchasing requirement modifications by the Department to the Women, Infants, and Children Supplemental Food and Nutrition (WIC) program.

### **MEDICAL SERVICES**

#### ***Sec. 1503. Healthy Michigan Plan Administration – NEW***

Adds a new section requiring the department to establish an accounting structure in the state system (Michigan administrative information network, or MAIN) to separately track expenditures for administration of the Healthy Michigan Plan.

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

***Sec. 1765. Health Insurer Fee Reserve Fund - NEW***

Creates the Health Insurer Fee Reserve fund, consisting of GF/GP and associated federal match appropriated to the new Health Insurer Fee Reserve Fund line. The funding is intended to hold Medicaid health plans harmless for the impact of the federal insurance provider's fee created by the Affordable Care Act. Funds will be available after a) the Internal Revenue Service finalizes the 2015 percent assessment fee rate and b) the state budget director approves the amount of reimbursement from the fund.

***Sec. 1815. Capitation Withhold Limitation – CURRENT LAW***

Limits capitation withholds for managed care plans at 0.19%.

***Sec. 1846 and 1870. Graduate Medical Education - REVISED***

Modifies these sections, which a) emphasize disciplines that are necessary to meet the needs of the state, b) establish the MIDocs consortium. The purpose of MIDocs is to develop freestanding residency training programs in primary care and other ambulatory care-based specialties.

***Sec. 1861. Nonemergency Medical Transportation – REVISED***

Requires, consistent with current law, the Department to report on the pilot program for non-emergency medical transportation in southeast Michigan. However, this language broadens the scope of review to include the efficiency and effectiveness of the nonemergency transportation system, with acknowledgement that the review may be limited based on available data for services provided outside of DCH or its contractor. Accompanying language is included in the Department of Human Services (DHS), requiring DHS to provide DCH with data on methods of travel, number of people served, travel distances, number of trips, and trip costs. Adds a subsection requiring a new nonemergency pilot in at least two counties, with priority given to Berrien and Muskegon counties.