

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 4213

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2014, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	3,571.6



1	Average population.....	893.0	
2	GROSS APPROPRIATION		\$ 15,323,024,100
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers.....		10,056,100
6	ADJUSTED GROSS APPROPRIATION		\$ 15,312,968,000
7	Federal revenues:		
8	Total federal revenues		9,862,834,200
9	Social security act, temporary assistance for needy		
10	families.....		19,545,400
11	Special revenue funds:		
12	Total local revenues		251,820,200
13	Total private revenues		126,342,400
14	Merit award trust fund.....		85,834,700
15	Total other state restricted revenues		2,079,589,500
16	State general fund/general purpose		\$ 2,887,001,600
17	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
18	Full-time equated unclassified positions	6.0	
19	Full-time equated classified positions	176.7	
20	Director and other unclassified--6.0 FTE positions ...		\$ 707,000
21	Departmental administration and management--166.7 FTE		
22	positions.....		25,069,900
23	Worker's compensation program		6,963,000
24	Rent and building occupancy		9,791,300
25	Developmental disabilities council and projects--10.0		
26	FTE positions.....		<u>3,024,700</u>
27	GROSS APPROPRIATION		\$ 45,555,900



1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues	15,196,600
4	Special revenue funds:	
5	Total private revenues	35,200
6	Total other state restricted revenues	792,700
7	State general fund/general purpose	\$ 29,531,400
8	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
9	AND SPECIAL PROJECTS	
10	Full-time equated classified positions	104.0
11	Behavioral health program administration--103.0 FTE	
12	positions.....	\$ 19,629,400
13	Gambling addiction--1.0 FTE position	3,002,800
14	Protection and advocacy services support	194,400
15	Community residential and support services	992,100
16	Federal and other special projects	3,111,200
17	Family support subsidy	19,364,900
18	Housing and support services	<u>11,322,500</u>
19	GROSS APPROPRIATION	\$ 57,617,300
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	19,926,000
23	Social security act, temporary assistance for needy	
24	families.....	19,545,400
25	Special revenue funds:	
26	Total private revenues	200,000
27	Total other state restricted revenues	3,002,800



1	State general fund/general purpose	\$	14,943,100
2	Sec. 104. BEHAVIORAL HEALTH SERVICES		
3	Full-time equated classified positions	9.5	
4	Medicaid mental health services	\$	2,187,650,100
5	Community mental health non-Medicaid services		283,688,700
6	Medicaid adult benefits waiver		31,989,600
7	Mental health services for special populations		5,842,800
8	Medicaid substance abuse services		47,696,700
9	CMHSP, purchase of state services contracts		137,761,600
10	Civil service charges		1,499,300
11	Federal mental health block grant--2.5 FTE positions .		15,440,000
12	State disability assistance program substance abuse		
13	services.....		2,018,800
14	Community substance abuse prevention, education, and		
15	treatment programs.....		80,093,000
16	Children's waiver home care program		21,544,900
17	Nursing home PAS/ARR-OBRA--7.0 FTE positions		12,252,100
18	Children with serious emotional disturbance waiver ...		<u>12,651,000</u>
19	GROSS APPROPRIATION	\$	2,840,128,600
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	Interdepartmental grant from the department of human		
23	services.....		6,194,900
24	Federal revenues:		
25	Total federal revenues		1,619,363,200
26	Special revenue funds:		
27	Total local revenues		25,228,900



1	Total other state restricted revenues	22,276,700
2	State general fund/general purpose	\$ 1,167,064,900
3	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
4	MENTAL HEALTH SERVICES	
5	Total average population.....	893.0
6	Full-time equated classified positions.....	2,130.9
7	Caro Regional Mental Health Center - psychiatric	
8	hospital - adult--461.3 FTE positions.....	\$ 60,210,400
9	Average population.....	185.0
10	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
11	positions.....	56,729,700
12	Average population.....	189.0
13	Walter P. Reuther Psychiatric Hospital - adult--420.8	
14	FTE positions.....	56,323,900
15	Average population.....	234.0
16	Hawthorn Center - psychiatric hospital - children and	
17	adolescents--226.4 FTE positions.....	27,925,800
18	Average population.....	75.0
19	Center for forensic psychiatry--556.3 FTE positions ..	
20	Average population.....	210.0
21	Revenue recapture	750,000
22	IDEA, federal special education	120,000
23	Special maintenance	332,500
24	Purchase of medical services for residents of	
25	hospitals and centers.....	445,600
26	Gifts and bequests for patient living and treatment	
27	environment.....	<u>1,000,000</u>



1	GROSS APPROPRIATION	\$	275,025,700
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues		34,529,300
5	Special revenue funds:		
6	CMHSP, purchase of state services contracts		137,761,600
7	Other local revenues		19,163,800
8	Total private revenues		1,000,000
9	Total other state restricted revenues		16,733,800
10	State general fund/general purpose	\$	65,837,200
11	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
12	Full-time equated classified positions		102.9
13	Public health administration--7.3 FTE positions	\$	1,549,500
14	Health and wellness initiatives--11.7 FTE positions ..		7,189,800
15	Minority health grants and contracts--2.5 FTE		
16	positions.....		612,700
17	Vital records and health statistics--81.4 FTE		
18	positions.....		<u>11,370,600</u>
19	GROSS APPROPRIATION	\$	20,722,600
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	Interdepartmental grant from the department of human		
23	services.....		1,199,200
24	Federal revenues:		
25	Total federal revenues		4,224,400
26	Special revenue funds:		
27	Total other state restricted revenues		11,970,700



1	State general fund/general purpose	\$	3,328,300
2	Sec. 107. HEALTH POLICY		
3	Full-time equated classified positions		64.8
4	Emergency medical services program--23.0 FTE positions	\$	6,187,400
5	Health policy administration--24.1 FTE positions		4,377,600
6	Nurse education and research program--3.0 FTE		
7	positions.....		769,900
8	Certificate of need program administration--12.3 FTE		
9	positions.....		2,763,700
10	Rural health services--1.0 FTE position		1,531,500
11	Michigan essential health provider		1,491,300
12	Primary care services--1.4 FTE positions		<u>3,731,300</u>
13	GROSS APPROPRIATION	\$	20,852,700
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	Interdepartmental grant from the department of		
17	licensing and regulatory affairs		2,066,400
18	Interdepartmental grant from the department of		
19	treasury, Michigan state hospital finance authority .		114,900
20	Federal revenues:		
21	Total federal revenues		6,664,000
22	Special revenue funds:		
23	Total private revenues		255,000
24	Total other state restricted revenues		7,536,600
25	State general fund/general purpose	\$	4,215,800
26	Sec. 108. INFECTIOUS DISEASE CONTROL		
27	Full-time equated classified positions		49.5



1	AIDS prevention, testing, and care programs--15.7 FTE		
2	positions.....	\$	69,164,400
3	Immunization program--12.8 FTE positions		14,999,000
4	Pediatric AIDS prevention and control--1.0 FTE		
5	position.....		1,233,100
6	Sexually transmitted disease control program--20.0 FTE		
7	positions.....		<u>6,213,800</u>
8	GROSS APPROPRIATION	\$	91,610,300
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		42,783,000
12	Special revenue funds:		
13	Total private revenues		38,278,400
14	Total other state restricted revenues		7,696,700
15	State general fund/general purpose	\$	2,852,200
16	Sec. 109. LABORATORY SERVICES		
17	Full-time equated classified positions..... 100.0		
18	Laboratory services--100.0 FTE positions	\$	<u>18,167,000</u>
19	GROSS APPROPRIATION	\$	18,167,000
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	Interdepartmental grant from the department of		
23	environmental quality.....		480,700
24	Federal revenues:		
25	Total federal revenues		2,271,300
26	Special revenue funds:		
27	Total other state restricted revenues		8,728,000



1	State general fund/general purpose	\$	6,687,000
2	Sec. 110. EPIDEMIOLOGY		
3	Full-time equated classified positions	115.1	
4	AIDS surveillance and prevention program	\$	2,254,100
5	Bioterrorism preparedness--55.0 FTE positions		35,466,400
6	Epidemiology administration--41.6 FTE positions		12,257,200
7	Healthy homes program--8.0 FTE positions		2,962,400
8	Newborn screening follow-up and treatment services--		
9	10.5 FTE positions		6,026,100
10	Tuberculosis control and prevention		<u>867,000</u>
11	GROSS APPROPRIATION	\$	59,833,200
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues		50,165,300
15	Special revenue funds:		
16	Total private revenues		238,000
17	Total other state restricted revenues		7,416,800
18	State general fund/general purpose	\$	2,013,100
19	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS		
20	Full-time equated classified positions	2.0	
21	Essential local public health services	\$	37,386,200
22	Implementation of 1993 PA 133, MCL 333.17015		20,000
23	Local health services--2.0 FTE positions		533,300
24	Medicaid outreach cost reimbursement to local health		
25	departments		<u>9,000,000</u>
26	GROSS APPROPRIATION	\$	46,939,500
27	Appropriated from:		



1	Federal revenues:	
2	Total federal revenues	9,533,300
3	Special revenue funds:	
4	Total local revenues	5,150,000
5	State general fund/general purpose	\$ 32,256,200
6	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
7	HEALTH PROMOTION	
8	Full-time equated classified positions	63.3
9	Cancer prevention and control program--11.0 FTE	
10	positions.....	\$ 14,987,100
11	Chronic disease control and health promotion	
12	administration--29.4 FTE positions	6,273,100
13	Diabetes and kidney program--8.0 FTE positions	1,885,600
14	Injury control intervention project	200,000
15	Smoking prevention program--12.0 FTE positions	2,576,800
16	Violence prevention--2.9 FTE positions	<u>2,170,600</u>
17	GROSS APPROPRIATION	\$ 28,093,200
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues	25,000,900
21	Special revenue funds:	
22	Total private revenues	500,000
23	Total other state restricted revenues	728,400
24	State general fund/general purpose	\$ 1,863,900
25	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
26	SERVICES	
27	Full-time equated classified positions	49.6



1	Childhood lead program--2.5 FTE positions	\$	1,243,200
2	Dental programs--3.0 FTE positions		1,643,800
3	Dental program for persons with developmental		
4	disabilities.....		151,000
5	Family, maternal, and children's health services		
6	administration--41.6 FTE positions		7,245,200
7	Family planning local agreements		9,085,700
8	Local MCH services		7,018,100
9	Pregnancy prevention program		602,100
10	Prenatal care outreach and service delivery support ..		9,151,400
11	Special projects--2.5 FTE positions		7,427,700
12	Sudden infant death syndrome program		<u>321,300</u>
13	GROSS APPROPRIATION	\$	43,889,500
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues		36,619,400
17	Special revenue funds:		
18	Total local revenues		75,000
19	Total private revenues		874,500
20	State general fund/general purpose	\$	6,320,600
21	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
22	NUTRITION PROGRAM		
23	Full-time equated classified positions	45.0	
24	Women, infants, and children program administration		
25	and special projects--45.0 FTE positions	\$	17,832,600
26	Women, infants, and children program local agreements		
27	and food costs.....		<u>256,285,000</u>



1	GROSS APPROPRIATION	\$	274,117,600
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues		213,039,700
5	Special revenue funds:		
6	Total private revenues		61,077,900
7	State general fund/general purpose	\$	0
8	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
9	Full-time equated classified positions		46.8
10	Children's special health care services		
11	administration--44.0 FTE positions	\$	5,506,600
12	Bequests for care and services--2.8 FTE positions		1,524,100
13	Outreach and advocacy		5,510,000
14	Nonemergency medical transportation		1,505,900
15	Medical care and treatment		<u>97,557,700</u>
16	GROSS APPROPRIATION	\$	111,604,300
17	Appropriated from:		
18	Federal revenues:		
19	Total federal revenues		44,039,500
20	Special revenue funds:		
21	Total private revenues		1,005,900
22	Total other state restricted revenues		3,854,600
23	State general fund/general purpose	\$	62,704,300
24	Sec. 116. CRIME VICTIM SERVICES COMMISSION		
25	Full-time equated classified positions		13.0
26	Grants administration services--13.0 FTE positions ...	\$	2,099,100
27	Justice assistance grants		19,106,100



1	Crime victim rights services grants	<u>16,570,000</u>
2	GROSS APPROPRIATION	\$ 37,775,200
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	23,494,800
6	Special revenue funds:	
7	Total other state restricted revenues	14,280,400
8	State general fund/general purpose	\$ 0
9	Sec. 117. OFFICE OF SERVICES TO THE AGING	
10	Full-time equated classified positions	40.0
11	Office of services to aging administration--40.0 FTE	
12	positions.....	\$ 6,389,200
13	Community services	36,614,400
14	Nutrition services	36,744,000
15	Foster grandparent volunteer program	2,233,600
16	Retired and senior volunteer program	627,300
17	Senior companion volunteer program	1,604,400
18	Employment assistance	3,500,000
19	Respite care program	<u>5,868,700</u>
20	GROSS APPROPRIATION	\$ 93,581,600
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues	58,154,600
24	Special revenue funds:	
25	Total private revenues	677,500
26	Merit award trust fund	4,068,700
27	Total other state restricted revenues	1,800,000



1	State general fund/general purpose	\$	28,880,800
2	Sec. 118. MEDICAL SERVICES ADMINISTRATION		
3	Full-time equated classified positions		458.5
4	Medical services administration--434.5 FTE positions .	\$	68,549,000
5	Facility inspection contract		132,800
6	MIChild administration		4,327,800
7	Electronic health record incentive program--24.0 FTE		
8	positions.....		<u>144,193,800</u>
9	GROSS APPROPRIATION	\$	217,203,400
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues		191,886,000
13	Special revenue funds:		
14	Total local revenues		105,900
15	Total private revenues		100,000
16	Total other state restricted revenues		330,000
17	State general fund/general purpose	\$	24,781,500
18	Sec. 119. MEDICAL SERVICES		
19	Hospital services and therapy	\$	1,241,676,300
20	Hospital disproportionate share payments		45,000,000
21	Physician services		462,956,400
22	Medicare premium payments		438,208,000
23	Pharmaceutical services		269,310,900
24	Home health services		3,783,700
25	Hospice services		102,974,400
26	Transportation		23,572,600
27	Auxiliary medical services		9,517,200



1	Dental services	183,247,600
2	Ambulance services	10,751,000
3	Long-term care services	1,756,486,200
4	Integrated care organization services	100
5	Medicaid home- and community-based services waiver ...	299,895,900
6	Adult home help services	308,323,300
7	Personal care services	13,327,200
8	Program of all-inclusive care for the elderly	50,254,300
9	Autism services	39,484,600
10	Health plan services	4,722,693,700
11	MIChild program	69,744,400
12	Plan first family planning waiver	13,628,100
13	Medicaid adult benefits waiver	105,877,700
14	Special indigent care payments	95,738,900
15	Federal Medicare pharmaceutical program	196,140,500
16	Maternal and child health	20,279,500
17	Subtotal basic medical services program	10,482,872,500
18	School-based services	131,502,700
19	Special Medicaid reimbursement	337,217,600
20	Subtotal special medical services payments	<u>468,720,300</u>
21	GROSS APPROPRIATION	\$ 10,951,592,800
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues	7,419,749,400
25	Special revenue funds:	
26	Total local revenues	64,335,000
27	Total private revenues	2,100,000



1	Merit award trust fund	81,766,000
2	Total other state restricted revenues	1,970,475,600
3	State general fund/general purpose	\$ 1,413,166,800
4	Sec. 120. INFORMATION TECHNOLOGY	
5	Information technology services and projects	\$ 36,530,800
6	Michigan Medicaid information system	<u>50,201,100</u>
7	GROSS APPROPRIATION	\$ 86,731,900
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues	45,091,700
11	Special revenue funds:	
12	Total private revenues	20,000,000
13	Total other state restricted revenues	1,965,700
14	State general fund/general purpose	\$ 19,674,500
15	Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS	
16	Hospital services and therapy - graduate medical	
17	education.....	\$ 1,656,800
18	Primary care services - island health clinics	<u>325,000</u>
19	GROSS APPROPRIATION	\$ 1,981,800
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	1,101,800
23	State general fund/general purpose	\$ 880,000

24 PART 2
 25 PROVISIONS CONCERNING APPROPRIATIONS



FOR FISCAL YEAR 2013-2014

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GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2013-2014 is \$5,052,425,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2013-2014 is \$1,232,500,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

Community residential and support services	\$	451,500
Housing and support services		77,500

BEHAVIORAL HEALTH SERVICES

State disability assistance program substance abuse services	\$	2,018,000
Community substance abuse prevention, education, and treatment programs.....		12,769,200
Medicaid mental health services		708,534,800
Community mental health non-Medicaid services		283,688,700
Mental health services for special populations		5,842,800
Medicaid adult benefits waiver		10,774,100
Medicaid substance abuse services		16,065,200
Children's waiver home care program		5,871,900
Nursing home PAS/ARR-OBRA		2,721,700

HEALTH POLICY

Primary care services	\$	88,900
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1	INFECTIOUS DISEASE CONTROL		
2	AIDS prevention, testing, and care programs	\$	1,041,100
3	Sexually transmitted disease management and		
4	field support.....		174,500
5	LABORATORY SERVICES		
6	Laboratory services	\$	2,800
7	LOCAL HEALTH ADMINISTRATION AND GRANTS		
8	Implementation of 1993 PA 133, MCL 333.17015	\$	5,700
9	Essential local public health services		32,236,100
10	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
11	Cancer prevention and control program	\$	94,700
12	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
13	Prenatal care outreach and service delivery support ..		1,850,000
14	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
15	Medical care and treatment	\$	585,300
16	Outreach and advocacy		1,250,800
17	CRIME VICTIM SERVICES COMMISSION		
18	Crime victim rights services grants	\$	6,180,200
19	OFFICE OF SERVICES TO THE AGING		
20	Community services	\$	12,229,300
21	Nutrition services		8,783,000
22	Foster grandparent volunteer program		536,400
23	Retired and senior volunteer program		147,300
24	Senior companion volunteer program		183,400
25	Respite care program		5,115,000
26	MEDICAL SERVICES		
27	Dental services	\$	1,364,200



1	Long-term care services	80,798,400
2	Transportation	3,583,000
3	Medicaid adult benefits waiver	10,481,900
4	Hospital services and therapy	2,489,000
5	Physician services	<u>14,433,600</u>

6 TOTAL OF PAYMENTS TO LOCAL UNITS
 7 OF GOVERNMENT \$ 1,232,500,000

8 Sec. 202. The appropriations authorized under this act are
 9 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 10 to 18.1594.

11 Sec. 203. As used in this act:

12 (a) "AIDS" means acquired immunodeficiency syndrome.

13 (b) "CMHSP" means a community mental health services program
 14 as that term is defined in section 100a of the mental health code,
 15 1974 PA 258, MCL 330.1100a.

16 (c) "Current fiscal year" means the fiscal year ending
 17 September 30, 2014.

18 (d) "Department" means the department of community health.

19 (e) "Director" means the director of the department.

20 (f) "DSH" means disproportionate share hospital.

21 (g) "EPSDT" means early and periodic screening, diagnosis, and
 22 treatment.

23 (h) "Federal health care reform legislation" means the patient
 24 protection and affordable care act, Public Law 111-148, and the
 25 health care and education reconciliation act of 2010, Public Law
 26 111-152.

27 (i) "Federal poverty level" means the poverty guidelines



1 published annually in the federal register by the United States
2 department of health and human services under its authority to
3 revise the poverty line under 42 USC 9902.

4 (j) "FTE" means full-time equated.

5 (k) "GME" means graduate medical education.

6 (l) "Health plan" means, at a minimum, an organization that
7 meets the criteria for delivering the comprehensive package of
8 services under the department's comprehensive health plan.

9 (m) "HEDIS" means healthcare effectiveness data and
10 information set.

11 (n) "HIV" means human immunodeficiency virus.

12 (o) "HMO" means health maintenance organization.

13 (p) "IDEA" means the individuals with disabilities education
14 act, 20 USC 1400 to 1482.

15 (q) "MCH" means maternal and child health.

16 (r) "MIChild" means the program described in section 1670.

17 (s) "PAS/ARR-OBRA" means the preadmission screening and annual
18 resident review required under the omnibus budget reconciliation
19 act of 1987, section 1919(e)(7) of the social security act, and 42
20 USC 1396r.

21 (t) "PIHP" means a specialty prepaid inpatient health plan for
22 Medicaid mental health services, services to individuals with
23 developmental disabilities, and substance abuse services. Specialty
24 prepaid inpatient health plans are described in section 232b of the
25 mental health code, 1974 PA 258, MCL 330.1232b.

26 (u) "Temporary assistance for needy families" means part A of
27 title IV of the social security act, 42 USC 601 to 619.



1 (v) "Title XVIII" and "Medicare" mean title XVIII of the
2 social security act, 42 USC 1395 to 1395kkk-1.

3 (w) "Title XIX" and "Medicaid" mean title XIX of the social
4 security act, 42 USC 1396 to 1396w-5.

5 (x) "Title XX" means title XX of the social security act, 42
6 USC 1397 to 1397m-5.

7 Sec. 206. (1) In addition to the funds appropriated in part 1,
8 there is appropriated an amount not to exceed \$200,000,000.00 for
9 federal contingency funds. These funds are not available for
10 expenditure until they have been transferred to another line item
11 in this act under section 393(2) of the management and budget act,
12 1984 PA 431, MCL 18.1393.

13 (2) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$40,000,000.00 for state
15 restricted contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item
17 in this act under section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (3) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$20,000,000.00 for local
21 contingency funds. These funds are not available for expenditure
22 until they have been transferred to another line item in this act
23 under section 393(2) of the management and budget act, 1984 PA 431,
24 MCL 18.1393.

25 (4) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$20,000,000.00 for private
27 contingency funds. These funds are not available for expenditure



1 until they have been transferred to another line item in this act
2 under section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

4 Sec. 207. The department shall maintain, on a public
5 accessible website, a department scorecard that identifies, tracks,
6 and regularly updates key metrics that are used to monitor and
7 improve the department's performance.

8 Sec. 208. Unless otherwise specified, the departments shall
9 use the Internet to fulfill the reporting requirements of this act.
10 This requirement may include transmission of reports via electronic
11 mail to the recipients identified for each reporting requirement,
12 or it may include placement of reports on the Internet or Intranet
13 site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for
15 the purchase of foreign goods or services, or both, if
16 competitively priced and of comparable quality American goods or
17 services, or both, are available. Preference shall be given to
18 goods or services, or both, manufactured or provided by Michigan
19 businesses if they are competitively priced and of comparable
20 quality. In addition, preference shall be given to goods or
21 services, or both, that are manufactured or provided by Michigan
22 businesses owned and operated by veterans if they are competitively
23 priced and of comparable quality.

24 Sec. 211. If the revenue collected by the department from fees
25 and collections exceeds the amount appropriated in part 1, the
26 revenue may be carried forward with the approval of the state
27 budget director into the subsequent fiscal year. The revenue



1 carried forward under this section shall be used as the first
2 source of funds in the subsequent fiscal year.

3 Sec. 212. (1) On or before February 1 of the current fiscal
4 year, the department shall report to the house and senate
5 appropriations subcommittees on community health, the house and
6 senate fiscal agencies, and the state budget director on the
7 detailed name and amounts of federal, restricted, private, and
8 local sources of revenue that support the appropriations in each of
9 the line items in part 1.

10 (2) Upon the release of the next fiscal year executive budget
11 recommendation, the department shall report to the same parties in
12 subsection (1) on the amounts and detailed sources of federal,
13 restricted, private, and local revenue proposed to support the
14 total funds appropriated in each of the line items in part 1 of the
15 next fiscal year executive budget proposal.

16 Sec. 213. The state departments, agencies, and commissions
17 receiving tobacco tax funds and healthy Michigan funds from part 1
18 shall report by April 1 of the current fiscal year to the senate
19 and house appropriations committees, the senate and house fiscal
20 agencies, and the state budget director on the following:

21 (a) Detailed spending plan by appropriation line item
22 including description of programs and a summary of organizations
23 receiving these funds.

24 (b) Description of allocations or bid processes including need
25 or demand indicators used to determine allocations.

26 (c) Eligibility criteria for program participation and maximum
27 benefit levels where applicable.



1 (d) Outcome measures used to evaluate programs, including
2 measures of the effectiveness of these programs in improving the
3 health of Michigan residents.

4 (e) Any other information considered necessary by the house of
5 representatives or senate appropriations committees or the state
6 budget director.

7 Sec. 216. (1) In addition to funds appropriated in part 1 for
8 all programs and services, there is appropriated for write-offs of
9 accounts receivable, deferrals, and for prior year obligations in
10 excess of applicable prior year appropriations, an amount equal to
11 total write-offs and prior year obligations, but not to exceed
12 amounts available in prior year revenues.

13 (2) The department's ability to satisfy appropriation
14 deductions in part 1 shall not be limited to collections and
15 accruals pertaining to services provided in the current fiscal
16 year, but shall also include reimbursements, refunds, adjustments,
17 and settlements from prior years.

18 Sec. 218. The department shall include the following in its
19 annual list of proposed basic health services as required in part
20 23 of the public health code, 1978 PA 368, MCL 333.2301 to
21 333.2321:

22 (a) Immunizations.

23 (b) Communicable disease control.

24 (c) Sexually transmitted disease control.

25 (d) Tuberculosis control.

26 (e) Prevention of gonorrhea eye infection in newborns.

27 (f) Screening newborns for the conditions listed in section



1 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
2 recommended by the newborn screening quality assurance advisory
3 committee created under section 5430 of the public health code,
4 1978 PA 368, MCL 333.5430.

5 (g) Community health annex of the Michigan emergency
6 management plan.

7 (h) Prenatal care.

8 Sec. 219. (1) The department may contract with the Michigan
9 public health institute for the design and implementation of
10 projects and for other public health-related activities prescribed
11 in section 2611 of the public health code, 1978 PA 368, MCL
12 333.2611. The department may develop a master agreement with the
13 institute to carry out these purposes for up to a 3-year period.
14 The department shall report to the house and senate appropriations
15 subcommittees on community health, the house and senate fiscal
16 agencies, and the state budget director on or before January 1 of
17 the current fiscal year all of the following:

18 (a) A detailed description of each funded project.

19 (b) The amount allocated for each project, the appropriation
20 line item from which the allocation is funded, and the source of
21 financing for each project.

22 (c) The expected project duration.

23 (d) A detailed spending plan for each project, including a
24 list of all subgrantees and the amount allocated to each
25 subgrantee.

26 (2) On or before September 30 of the current fiscal year, the
27 department shall provide to the same parties listed in subsection



1 (1) a copy of all reports, studies, and publications produced by
2 the Michigan public health institute, its subcontractors, or the
3 department with the funds appropriated in part 1 and allocated to
4 the Michigan public health institute.

5 Sec. 223. The department may establish and collect fees for
6 publications, videos and related materials, conferences, and
7 workshops. Collected fees shall be used to offset expenditures to
8 pay for printing and mailing costs of the publications, videos and
9 related materials, and costs of the workshops and conferences. The
10 department shall not collect fees under this section that exceed
11 the cost of the expenditures.

12 Sec. 259. From the funds appropriated in part 1 for
13 information technology, departments and agencies shall pay user
14 fees to the department of technology, management, and budget for
15 technology-related services and projects. The user fees shall be
16 subject to provisions of an interagency agreement between the
17 department and agencies and the department of technology,
18 management, and budget.

19 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
20 state plan amendment, or a similar proposal to the centers for
21 Medicare and Medicaid services, the department shall notify the
22 house and senate appropriations subcommittees on community health
23 and the house and senate fiscal agencies of the submission.

24 (2) The department shall provide written or verbal biannual
25 reports to the senate and house appropriations subcommittees on
26 community health and the senate and house fiscal agencies
27 summarizing the status of any new or ongoing discussions with the



1 centers for Medicare and Medicaid services or the federal
2 department of health and human services regarding potential or
3 future Medicaid waiver applications.

4 (3) The department shall inform the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies of any alterations or adjustments made to the
7 published plan for integrated care for individuals who are dual
8 Medicare/Medicaid eligibles when the final version of the plan has
9 been submitted to the federal centers for Medicare and Medicaid
10 services or the federal department of health and human services.

11 (4) At least 30 days before implementation of the plan for
12 integrated care for individuals who are dual Medicare/Medicaid
13 eligibles, the department shall submit the plan to the legislature
14 for review.

15 Sec. 265. The department and agencies receiving appropriations
16 in part 1 shall receive and retain copies of all reports funded
17 from appropriations in part 1. Federal and state guidelines for
18 short-term and long-term retention of records shall be followed.
19 The department may electronically retain copies of reports unless
20 otherwise required by federal and state guidelines.

21 Sec. 266. The departments and agencies receiving
22 appropriations in part 1 shall prepare a report on out-of-state
23 travel expenses not later than January 1 of each year. The travel
24 report shall be a listing of all travel by classified and
25 unclassified employees outside this state in the immediately
26 preceding fiscal year that was funded in whole or in part with
27 funds appropriated in the department's budget. The report shall be



1 submitted to the house and senate appropriations committees, the
2 house and senate fiscal agencies, and the state budget director.

3 The report shall include the following information:

4 (a) The dates of each travel occurrence.

5 (b) The transportation and related costs of each travel
6 occurrence, including the proportion funded with state general
7 fund/general purpose revenues, the proportion funded with state
8 restricted revenues, the proportion funded with federal revenues,
9 and the proportion funded with other revenues.

10 Sec. 267. The department shall not take disciplinary action
11 against an employee for communicating with a member of the
12 legislature or his or her staff.

13 Sec. 270. Within 180 days after receipt of the notification
14 from the attorney general's office of a legal action in which
15 expenses had been recovered pursuant to section 106(4) of the
16 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
17 under which the department has the right to recover expenses, the
18 department shall submit a written report to the house and senate
19 appropriations subcommittees on community health, the house and
20 senate fiscal agencies, and the state budget office which includes,
21 at a minimum, all of the following:

22 (a) The total amount recovered from the legal action.

23 (b) The program or service for which the money was originally
24 expended.

25 (c) Details on the disposition of the funds recovered such as
26 the appropriation or revenue account in which the money was
27 deposited.



1 (d) A description of the facts involved in the legal action.

2 Sec. 276. Funds appropriated in part 1 shall not be used by a
3 principal executive department, state agency, or authority to hire
4 a person to provide legal services that are the responsibility of
5 the attorney general. This prohibition does not apply to legal
6 services for bonding activities and for those outside services that
7 the attorney general authorizes.

8 Sec. 287. Not later than November 15, the department shall
9 prepare and transmit a report that provides for estimates of the
10 total general fund/general purpose appropriation lapses at the
11 close of the fiscal year. This report shall summarize the projected
12 year-end general fund/general purpose appropriation lapses by major
13 departmental program or program areas. The report shall be
14 transmitted to the office of the state budget, the chairpersons of
15 the senate and house of representatives standing appropriations
16 committees, and the senate and house fiscal agencies.

17 Sec. 292. (1) The department shall maintain a searchable
18 website accessible by the public at no cost that includes, but is
19 not limited to, all of the following:

20 (a) Fiscal year-to-date expenditures by category.

21 (b) Fiscal year-to-date expenditures by appropriation unit.

22 (c) Fiscal year-to-date payments to a selected vendor,
23 including the vendor name, payment date, payment amount, and
24 payment description.

25 (d) The number of active department employees by job
26 classification.

27 (e) Job specifications and wage rates.



1 (2) The department may develop and operate its own website to
2 provide this information or may reference the state's central
3 transparency website as the source for this information.

4 Sec. 294. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward
6 to support technology projects under the direction of the
7 department of technology, management, and budget. Funds designated
8 in this manner are not available for expenditure until approved as
9 work projects under section 451a of the management and budget act,
10 1984 PA 431, MCL 18.1451a.

11 Sec. 296. Within 14 days after the release of the executive
12 budget recommendation, the department shall provide the state
13 budget director, the senate and house appropriations chairs, the
14 senate and house appropriations subcommittees on community health,
15 respectively, and the senate and house fiscal agencies with an
16 annual report on estimated state restricted fund balances, state
17 restricted fund projected revenues, and state restricted fund
18 expenditures for the fiscal year ending September 30, 2014.

19 Sec. 297. It is the intent of the legislature that all
20 principal executive departments and agencies cooperate with the
21 development and implementation of the department of technology,
22 management, and budget statewide office space consolidation plan.

23 Sec. 298. From the funds appropriated in part 1 for the
24 Michigan Medicaid information system line item, \$20,000,000.00 in
25 private revenue will be allocated for the Michigan-Illinois
26 alliance Medicaid management information systems project.



1 **BEHAVIORAL HEALTH SERVICES**

2 Sec. 401. Funds appropriated in part 1 are intended to support
3 a system of comprehensive community mental health services under
4 the full authority and responsibility of local CMHSPs or PIHPs. The
5 department shall ensure that each CMHSP or PIHP provides all of the
6 following:

7 (a) A system of single entry and single exit.

8 (b) A complete array of mental health services that includes,
9 but is not limited to, all of the following services: residential
10 and other individualized living arrangements, outpatient services,
11 acute inpatient services, and long-term, 24-hour inpatient care in
12 a structured, secure environment.

13 (c) The coordination of inpatient and outpatient hospital
14 services through agreements with state-operated psychiatric
15 hospitals, units, and centers in facilities owned or leased by the
16 state, and privately-owned hospitals, units, and centers licensed
17 by the state pursuant to sections 134 through 149b of the mental
18 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

19 (d) Individualized plans of service that are sufficient to
20 meet the needs of individuals, including those discharged from
21 psychiatric hospitals or centers, and that ensure the full range of
22 recipient needs is addressed through the CMHSP's or PIHP's program
23 or through assistance with locating and obtaining services to meet
24 these needs.

25 (e) A system of case management or care management to monitor
26 and ensure the provision of services consistent with the
27 individualized plan of services or supports.



1 (f) A system of continuous quality improvement.

2 (g) A system to monitor and evaluate the mental health
3 services provided.

4 (h) A system that serves at-risk and delinquent youth as
5 required under the provisions of the mental health code, 1974 PA
6 258, MCL 330.1001 to 330.2106.

7 Sec. 402. (1) From funds appropriated in part 1, final
8 authorizations to CMHSPs or PIHPs shall be made upon the execution
9 of contracts between the department and CMHSPs or PIHPs. The
10 contracts shall contain an approved plan and budget as well as
11 policies and procedures governing the obligations and
12 responsibilities of both parties to the contracts. Each contract
13 with a CMHSP or PIHP that the department is authorized to enter
14 into under this subsection shall include a provision that the
15 contract is not valid unless the total dollar obligation for all of
16 the contracts between the department and the CMHSPs or PIHPs
17 entered into under this subsection for the current fiscal year does
18 not exceed the amount of money appropriated in part 1 for the
19 contracts authorized under this subsection.

20 (2) The department shall immediately report to the senate and
21 house appropriations subcommittees on community health, the senate
22 and house fiscal agencies, and the state budget director if either
23 of the following occurs:

24 (a) Any new contracts with CMHSPs or PIHPs that would affect
25 rates or expenditures are enacted.

26 (b) Any amendments to contracts with CMHSPs or PIHPs that
27 would affect rates or expenditures are enacted.



1 (3) The report required by subsection (2) shall include
2 information about the changes and their effects on rates and
3 expenditures.

4 Sec. 403. (1) From the funds appropriated in part 1 for mental
5 health services for special populations, the department shall
6 ensure that CMHSPs or PIHPs meet with multicultural service
7 providers to develop a workable framework for contracting, service
8 delivery, and reimbursement.

9 (2) Funds appropriated in part 1 for mental health services
10 for special populations shall not be utilized for services provided
11 to illegal immigrants, fugitive felons, and individuals who are not
12 residents of this state. The department shall maintain contracts
13 with recipients of multicultural services grants that mandate
14 grantees establish that recipients of services are legally residing
15 in the United States. An exception to the contractual provision
16 shall be allowed to address individuals presenting with emergent
17 mental health conditions.

18 (3) The department shall require an annual report from the
19 independent organizations that receive mental health services for
20 special populations funding. The annual report, due January 1 of
21 the current fiscal year, shall include specific information on
22 services and programs provided, the client base to which the
23 services and programs were provided, information on any wraparound
24 services provided, and the expenditures for those services. The
25 department shall provide the annual reports to the senate and house
26 appropriations subcommittees on community health and the senate and
27 house fiscal agencies.



1 Sec. 404. (1) Not later than May 31 of the current fiscal
2 year, the department shall provide a report on the community mental
3 health services programs to the members of the house and senate
4 appropriations subcommittees on community health, the house and
5 senate fiscal agencies, and the state budget director that includes
6 the information required by this section.

7 (2) The report shall contain information for each CMHSP or
8 PIHP and a statewide summary, each of which shall include at least
9 the following information:

10 (a) A demographic description of service recipients which,
11 minimally, shall include reimbursement eligibility, client
12 population, age, ethnicity, housing arrangements, and diagnosis.

13 (b) Per capita expenditures by client population group.

14 (c) Financial information that, minimally, includes a
15 description of funding authorized; expenditures by client group and
16 fund source; and cost information by service category, including
17 administration. Service category includes all department-approved
18 services.

19 (d) Data describing service outcomes that includes, but is not
20 limited to, an evaluation of consumer satisfaction, consumer
21 choice, and quality of life concerns including, but not limited to,
22 housing and employment.

23 (e) Information about access to community mental health
24 services programs that includes, but is not limited to, the
25 following:

26 (i) The number of people receiving requested services.

27 (ii) The number of people who requested services but did not



1 receive services.

2 (f) The number of second opinions requested under the code and
3 the determination of any appeals.

4 (g) An analysis of information provided by CMHSPs in response
5 to the needs assessment requirements of the mental health code,
6 1974 PA 258, MCL 330.1001 to 330.2106, including information about
7 the number of individuals in the service delivery system who have
8 requested and are clinically appropriate for different services.

9 (h) Lapses and carryforwards during the immediately preceding
10 fiscal year for CMHSPs or PIHPs.

11 (i) Information about contracts for mental health services
12 entered into by CMHSPs or PIHPs with providers, including, but not
13 limited to, all of the following:

14 (i) The amount of the contract, organized by type of service
15 provided.

16 (ii) Payment rates, organized by the type of service provided.

17 (iii) Administrative costs for services provided to CMHSPs or
18 PIHPs.

19 (j) Information on the community mental health Medicaid
20 managed care program, including, but not limited to, both of the
21 following:

22 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
23 eligibility group, including per eligible individual expenditure
24 averages.

25 (ii) Performance indicator information required to be submitted
26 to the department in the contracts with CMHSPs or PIHPs.

27 (k) An estimate of the number of direct care workers in local



1 residential settings and paraprofessional and other nonprofessional
2 direct care workers in settings where skill building, community
3 living supports and training, and personal care services are
4 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
5 year employed directly or through contracts with provider
6 organizations.

7 (3) The department shall include data reporting requirements
8 listed in subsection (2) in the annual contract with each
9 individual CMHSP or PIHP.

10 (4) The department shall take all reasonable actions to ensure
11 that the data required are complete and consistent among all CMHSPs
12 or PIHPs.

13 Sec. 406. (1) The funds appropriated in part 1 for the state
14 disability assistance substance abuse services program shall be
15 used to support per diem room and board payments in substance abuse
16 residential facilities. Eligibility of clients for the state
17 disability assistance substance abuse services program shall
18 include needy persons 18 years of age or older, or emancipated
19 minors, who reside in a substance abuse treatment center.

20 (2) The department shall reimburse all licensed substance
21 abuse programs eligible to participate in the program at a rate
22 equivalent to that paid by the department of human services to
23 adult foster care providers. Programs accredited by department-
24 approved accrediting organizations shall be reimbursed at the
25 personal care rate, while all other eligible programs shall be
26 reimbursed at the domiciliary care rate.

27 Sec. 407. (1) The amount appropriated in part 1 for substance



1 abuse prevention, education, and treatment grants shall be expended
2 to coordinate care and services provided to individuals with severe
3 and persistent mental illness and substance abuse diagnoses.

4 (2) The department shall approve managing entity fee schedules
5 for providing substance abuse services and charge participants in
6 accordance with their ability to pay.

7 (3) The managing entity shall continue current efforts to
8 collaborate on the delivery of services to those clients with
9 mental illness and substance abuse diagnoses with the goal of
10 providing services in an administratively efficient manner.

11 Sec. 408. (1) By April 1 of the current fiscal year, the
12 department shall report the following data from the prior fiscal
13 year on substance abuse prevention, education, and treatment
14 programs to the senate and house appropriations subcommittees on
15 community health, the senate and house fiscal agencies, and the
16 state budget office:

17 (a) Expenditures stratified by department-designated community
18 mental health entity, by central diagnosis and referral agency, by
19 fund source, by subcontractor, by population served, and by service
20 type. Additionally, data on administrative expenditures by
21 department-designated community mental health entity shall be
22 reported.

23 (b) Expenditures per state client, with data on the
24 distribution of expenditures reported using a histogram approach.

25 (c) Number of services provided by central diagnosis and
26 referral agency, by subcontractor, and by service type.
27 Additionally, data on length of stay, referral source, and



1 participation in other state programs.

2 (d) Collections from other first- or third-party payers,
3 private donations, or other state or local programs, by department-
4 designated community mental health entity, by subcontractor, by
5 population served, and by service type.

6 (2) The department shall take all reasonable actions to ensure
7 that the required data reported are complete and consistent among
8 all department-designated community mental health entities.

9 Sec. 410. The department shall assure that substance abuse
10 treatment is provided to applicants and recipients of public
11 assistance through the department of human services who are
12 required to obtain substance abuse treatment as a condition of
13 eligibility for public assistance.

14 Sec. 411. (1) The department shall ensure that each contract
15 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
16 programs to encourage diversion of individuals with serious mental
17 illness, serious emotional disturbance, or developmental disability
18 from possible jail incarceration when appropriate.

19 (2) Each CMHSP or PIHP shall have jail diversion services and
20 shall work toward establishing working relationships with
21 representative staff of local law enforcement agencies, including
22 county prosecutors' offices, county sheriffs' offices, county
23 jails, municipal police agencies, municipal detention facilities,
24 and the courts. Written interagency agreements describing what
25 services each participating agency is prepared to commit to the
26 local jail diversion effort and the procedures to be used by local
27 law enforcement agencies to access mental health jail diversion



1 services are strongly encouraged.

2 Sec. 412. The department shall contract directly with the
3 Salvation Army harbor light program to provide non-Medicaid
4 substance abuse services.

5 Sec. 418. On or before the tenth of each month, the department
6 shall report to the senate and house appropriations subcommittees
7 on community health, the senate and house fiscal agencies, and the
8 state budget director on the amount of funding paid to PIHPs to
9 support the Medicaid managed mental health care program in the
10 preceding month. The information shall include the total paid to
11 each PIHP, per capita rate paid for each eligibility group for each
12 PIHP, and number of cases in each eligibility group for each PIHP,
13 and year-to-date summary of eligibles and expenditures for the
14 Medicaid managed mental health care program.

15 Sec. 424. Each PIHP that contracts with the department to
16 provide services to the Medicaid population shall adhere to the
17 following timely claims processing and payment procedure for claims
18 submitted by health professionals and facilities:

19 (a) A "clean claim" as described in section 111i of the social
20 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
21 days after receipt of the claim by the PIHP. A clean claim that is
22 not paid within this time frame shall bear simple interest at a
23 rate of 12% per annum.

24 (b) A PIHP shall state in writing to the health professional
25 or facility any defect in the claim within 30 days after receipt of
26 the claim.

27 (c) A health professional and a health facility have 30 days



1 after receipt of a notice that a claim or a portion of a claim is
2 defective within which to correct the defect. The PIHP shall pay
3 the claim within 30 days after the defect is corrected.

4 Sec. 428. Each PIHP shall provide, from internal resources,
5 local funds to be used as a bona fide part of the state match
6 required under the Medicaid program in order to increase capitation
7 rates for PIHPs. These funds shall not include either state funds
8 received by a CMHSP for services provided to non-Medicaid
9 recipients or the state matching portion of the Medicaid capitation
10 payments made to a PIHP.

11 Sec. 435. A county required under the provisions of the mental
12 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
13 matching funds to a CMHSP for mental health services rendered to
14 residents in its jurisdiction shall pay the matching funds in equal
15 installments on not less than a quarterly basis throughout the
16 fiscal year, with the first payment being made by October 1 of the
17 current fiscal year.

18 Sec. 458. By April 15 of the current fiscal year, the
19 department shall provide each of the following to the house and
20 senate appropriations subcommittees on community health, the house
21 and senate fiscal agencies, and the state budget director:

22 (a) An updated plan for implementing each of the
23 recommendations of the Michigan mental health commission made in
24 the commission's report dated October 15, 2004.

25 (b) A report that evaluates the cost-benefit of establishing
26 secure residential facilities of fewer than 17 beds for adults with
27 serious mental illness, modeled after such programming in Oregon or



1 other states. This report shall examine the potential impact that
2 utilization of secure residential facilities would have upon the
3 state's need for adult mental health facilities.

4 (c) In conjunction with the state court administrator's
5 office, a report that evaluates the cost-benefit of establishing a
6 specialized mental health court program that diverts adults with
7 serious mental illness alleged to have committed an offense deemed
8 nonserious into treatment prior to the filing of any charges.

9 Sec. 474. The department shall ensure that each contract with
10 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
11 recipient and his or her family with information regarding the
12 different types of guardianship and the alternatives to
13 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
14 reduce or restrict the ability of a recipient or his or her family
15 from seeking to obtain any form of legal guardianship without just
16 cause.

17 Sec. 490. (1) The department shall develop a plan to maximize
18 uniformity and consistency in the standards required of providers
19 contracting directly with PIHPs and CMHSPs. The standards shall
20 include, but are not limited to, contract language, training
21 requirements for direct support staff, performance indicators,
22 financial and program audits, and billing procedures.

23 (2) The department shall provide a status report to the senate
24 and house appropriations subcommittees on community health, the
25 senate and house fiscal agencies, and the state budget director on
26 implementation of the plan by July 1 of the current fiscal year.

27 Sec. 491. The department shall explore changes in program



1 policy in the habilitation supports waiver for persons with
2 developmental disabilities that would permit the movement of a slot
3 that has become available to a county that has demonstrated a
4 greater need for the services.

5 Sec. 492. If a CMHSP has entered into an agreement with a
6 county or county sheriff to provide mental health services to the
7 inmates of the county jail, the department shall not prohibit the
8 use of state general fund/general purpose dollars by CMHSPs to
9 provide mental health services to inmates of a county jail.

10 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
11 PIHP, or subcontracting provider agency is reviewed and accredited
12 by a national accrediting entity for behavioral health care
13 services, the department, by April 1 of the current fiscal year,
14 shall consider that CMHSP, PIHP, or subcontracting provider agency
15 in compliance with state program review and audit requirements that
16 are addressed and reviewed by that national accrediting entity.

17 (2) By June 1 of the current fiscal year, the department shall
18 report to the house and senate appropriations subcommittees on
19 community health, the house and senate fiscal agencies, and the
20 state budget office all of the following:

21 (a) A list of each CMHSP, PIHP, and subcontracting provider
22 agency that is considered in compliance with state program review
23 and audit requirements under subsection (1).

24 (b) For each CMHSP, PIHP, or subcontracting provider agency
25 described in subdivision (a), all of the following:

26 (i) The state program review and audit requirements that the
27 CMHSP, PIHP, or subcontracting provider agency is considered in



1 compliance with.

2 (ii) The national accrediting entity that reviewed and
3 accredited the CMHSP, PIHP, or subcontracting provider agency.

4 (3) The department shall continue to comply with state and
5 federal law and shall not initiate an action that negatively
6 impacts beneficiary safety.

7 (4) As used in this section, "national accrediting entity"
8 means the joint commission on accreditation of healthcare
9 organizations, the commission on accreditation of rehabilitation
10 facilities, the council of accreditation, the utilization review
11 accreditation commission, the national committee for quality
12 assurance, or other appropriate entity, as approved by the
13 department.

14 Sec. 497. The population data used in determining the
15 distribution of substance abuse block grant funds shall be from the
16 most recent federal census.

17 Sec. 498. (1) The department shall use standard program
18 evaluation measures to assess the effectiveness of heroin and other
19 opiates treatment programs provided through coordinating agencies
20 and service providers in reducing and preventing the incidence of
21 substance use disorders. The measures established by the department
22 shall be modeled after the program outcome measures and best
23 practice guidelines for the treatment of heroin and other opiates
24 as prescribed by the federal substance abuse and mental health
25 services administration.

26 (2) By May 15 of the current fiscal year, the department shall
27 provide a report to the house and senate appropriations



1 subcommittees on community health, the house and senate fiscal
2 agencies, and the state budget office on the effectiveness of
3 treatment programs for heroin and other opiates.

4 Sec. 499. The department shall explore ways to use mental
5 health funding to address the mental health needs of deaf and hard-
6 of-hearing persons. The department shall report to the senate and
7 house appropriations subcommittees on community health on the
8 results of this process by March 1 of the current fiscal year.

9 Sec. 500. Of the funds appropriated in part 1 for the jail
10 diversion programs initiative, the department shall give priority
11 to the following:

12 (a) County sheriffs, including the St. Joseph County sheriff.

13 (b) Community court or similar projects, including the 36th
14 District Court community court project.

15 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

16 Sec. 601. The department shall continue a revenue recapture
17 project to generate additional revenues from third parties related
18 to cases that have been closed or are inactive. A portion of
19 revenues collected through project efforts may be used for
20 departmental costs and contractual fees associated with these
21 retroactive collections and to improve ongoing departmental
22 reimbursement management functions.

23 Sec. 602. The purpose of gifts and bequests for patient living
24 and treatment environments is to use additional private funds to
25 provide specific enhancements for individuals residing at state-
26 operated facilities. Use of the gifts and bequests shall be



1 consistent with the stipulation of the donor. The expected
2 completion date for the use of gifts and bequests donations is
3 within 3 years unless otherwise stipulated by the donor.

4 Sec. 605. (1) The department shall not implement any closures
5 or consolidations of state hospitals, centers, or agencies until
6 CMHSPs or PIHPs have programs and services in place for those
7 individuals currently in those facilities and a plan for service
8 provision for those individuals who would have been admitted to
9 those facilities.

10 (2) All closures or consolidations are dependent upon adequate
11 department-approved CMHSP and PIHP plans that include a discharge
12 and aftercare plan for each individual currently in the facility. A
13 discharge and aftercare plan shall address the individual's housing
14 needs. A homeless shelter or similar temporary shelter arrangements
15 are inadequate to meet the individual's housing needs.

16 (3) Four months after the certification of closure required in
17 section 19(6) of the state employees' retirement act, 1943 PA 240,
18 MCL 38.19, the department shall provide a closure plan to the house
19 and senate appropriations subcommittees on community health and the
20 state budget director.

21 (4) Upon the closure of state-run operations and after
22 transitional costs have been paid, the remaining balances of funds
23 appropriated for that operation shall be transferred to CMHSPs or
24 PIHPs responsible for providing services for individuals previously
25 served by the operations.

26 Sec. 606. The department may collect revenue for patient
27 reimbursement from first- and third-party payers, including



1 Medicaid and local county CMHSP payers, to cover the cost of
2 placement in state hospitals and centers. The department is
3 authorized to adjust financing sources for patient reimbursement
4 based on actual revenues earned. If the revenue collected exceeds
5 current year expenditures, the revenue may be carried forward with
6 approval of the state budget director. The revenue carried forward
7 shall be used as a first source of funds in the subsequent year.

8 Sec. 608. Effective October 1 of the current fiscal year, the
9 department, in consultation with the department of technology,
10 management, and budget, may maintain a bid process to identify 1 or
11 more private contractors to provide food service and custodial
12 services for the administrative areas at any state hospital
13 identified by the department as capable of generating savings
14 through the outsourcing of such services.

15 **PUBLIC HEALTH ADMINISTRATION**

16 Sec. 650. The department shall report to the senate and house
17 appropriations subcommittees on community health by April 1 of the
18 current fiscal year on its criteria and methodology used to derive
19 the information provided to residents in the annual Michigan fish
20 advisory.

21 Sec. 654. From the funds appropriated in part 1 for health and
22 wellness initiatives, \$1,000,000.00 shall be allocated for a pilot
23 before- and after-school healthy exercise program to promote and
24 advance physical health for school children in kindergarten through
25 grade 6. The department shall develop a model for program sites
26 that incorporates evidence-based best practices. The department



1 shall establish guidelines for program sites, which may include
2 public schools, community-based organizations, private facilities,
3 recreation centers, or other similar sites. The program format
4 shall encourage local determination of site activities and shall
5 encourage local inclusion of youth in the decision-making regarding
6 site activities. Program goals shall include children experiencing
7 good physical health, the reduction of obesity, providing a safe
8 place to play and exercise, and nutrition education. To be eligible
9 to participate in the pilot, program sites shall provide a 20%
10 match to the state funding. The department shall seek financial
11 support from corporate, foundation, or other private partners for
12 the program or for individual program sites.

13 **HEALTH POLICY**

14 Sec. 704. The department shall continue to contract with
15 grantees supported through the appropriation in part 1 for the
16 emergency medical services program to ensure that a sufficient
17 number of qualified emergency medical services personnel exist to
18 serve rural areas of the state.

19 Sec. 709. (1) The funds appropriated in part 1 for the
20 Michigan essential health care provider program may also provide
21 loan repayment for dentists that fit the criteria established by
22 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
23 333.2727.

24 (2) From the funds appropriated in part 1 for the Michigan
25 essential health provider program, the department may reduce the
26 local and private share of the loan and repayment costs to 25% for



1 primary care physicians, particularly obstetricians and
2 gynecologists working in underserved areas.

3 Sec. 712. From the funds appropriated in part 1 for primary
4 care services, \$250,000.00 shall be allocated to free health
5 clinics operating in the state. The department shall distribute the
6 funds equally to each free health clinic. For the purpose of this
7 appropriation, "free health clinics" means nonprofit organizations
8 that use volunteer health professionals to provide care to
9 uninsured individuals.

10 Sec. 713. The department shall continue support of
11 multicultural agencies that provide primary care services from the
12 funds appropriated in part 1.

13 Sec. 715. The department shall evaluate options for
14 incentivizing students attending medical schools in this state to
15 meet their primary care residency requirements in this state and
16 ultimately, for some period of time, to remain in this state and
17 serve as primary care physicians.

18 Sec. 716. (1) The department is encouraged to create and
19 implement a pilot program limited to counties with a population of
20 less than 100,000 to incentivize students attending medical schools
21 in Michigan through a loan repayment program or other approaches
22 for committing to provide medical services in rural counties with a
23 medically underserved population. The program shall be limited to
24 those students or individuals performing primary care or specialty
25 services as identified by the department.

26 (2) By no later than September 30 of the current fiscal year,
27 the department shall prepare a report and submit it to the senate



1 and house appropriations subcommittees on community health, the
2 senate and house fiscal agencies, and the state budget director.
3 The department shall evaluate the effectiveness of the pilot
4 program, identify potential changes to improve the program, and
5 make recommendations for statewide implementation in its report
6 under this subsection.

7 **INFECTIOUS DISEASE CONTROL**

8 Sec. 804. The department, in conjunction with efforts to
9 implement the Michigan prisoner reentry initiative, shall cooperate
10 with the department of corrections to share data and information as
11 they relate to prisoners being released who are HIV positive or
12 positive for the hepatitis C antibody.

13 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

14 Sec. 901. The amount appropriated in part 1 for implementation
15 of the 1993 additions of or amendments to sections 9161, 16221,
16 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
17 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
18 333.17515, shall be used to reimburse local health departments for
19 costs incurred related to implementation of section 17015(18) of
20 the public health code, 1978 PA 368, MCL 333.17015.

21 Sec. 902. If a county that has participated in a district
22 health department or an associated arrangement with other local
23 health departments takes action to cease to participate in such an
24 arrangement after October 1 of the current fiscal year, the
25 department shall have the authority to assess a penalty from the



1 local health department's operational accounts in an amount equal
2 to no more than 6.25% of the local health department's essential
3 local public health services funding. This penalty shall only be
4 assessed to the local county that requests the dissolution of the
5 health department.

6 Sec. 904. (1) Funds appropriated in part 1 for essential local
7 public health services shall be prospectively allocated to local
8 health departments to support immunizations, infectious disease
9 control, sexually transmitted disease control and prevention,
10 hearing screening, vision services, food protection, public water
11 supply, private groundwater supply, and on-site sewage management.
12 Food protection shall be provided in consultation with the
13 department of agriculture and rural development. Public water
14 supply, private groundwater supply, and on-site sewage management
15 shall be provided in consultation with the department of
16 environmental quality.

17 (2) Local public health departments shall be held to
18 contractual standards for the services in subsection (1).

19 (3) Distributions in subsection (1) shall be made only to
20 counties that maintain local spending in the current fiscal year of
21 at least the amount expended in fiscal year 1992-1993 for the
22 services described in subsection (1).

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

24 Sec. 1004. It is the intent of the legislature that the
25 department continue to collaborate with the county of St. Clair and
26 the city of Detroit southwest community to investigate and evaluate



1 cancer rates.

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

3 Sec. 1103. By January 3 of the current fiscal year the
4 department shall annually issue to the legislature, and to the
5 public on the Internet, a report providing estimated public funds
6 administered by the department for family planning, sexually
7 transmitted infection prevention and treatment, and pregnancies and
8 births, as well as demographics collected by the department as
9 voluntarily self-reported by individuals utilizing those services.
10 The department shall provide the actual expenditures by marital
11 status or, where actual expenditures are not available, shall
12 provide estimated expenditures by marital status. The department
13 may utilize the Plan First application (Form MSA 1582), MICHild,
14 and Healthy Kids application (DCH 0373) or Assistance Application
15 (DHS 1171) or any other official application for public assistance
16 for medical coverage to determine the actual or estimated public
17 expenditures based on marital status.

18 Sec. 1104. (1) Before April 1 of the current fiscal year, the
19 department shall submit a report to the house and senate fiscal
20 agencies and the state budget director on planned allocations from
21 the amounts appropriated in part 1 for local MCH services, prenatal
22 care outreach and service delivery support, family planning local
23 agreements, and pregnancy prevention programs. Using applicable
24 federal definitions, the report shall include information on all of
25 the following:

26 (a) Funding allocations.



1 (b) Actual number of women, children, and adolescents served
2 and amounts expended for each group for the immediately preceding
3 fiscal year.

4 (c) A breakdown of the expenditure of these funds between
5 urban and rural communities.

6 (2) The department shall ensure that the distribution of funds
7 through the programs described in subsection (1) takes into account
8 the needs of rural communities.

9 (3) For the purposes of this section, "rural" means a county,
10 city, village, or township with a population of 30,000 or less,
11 including those entities if located within a metropolitan
12 statistical area.

13 Sec. 1106. Each family planning program receiving federal
14 title X family planning funds under 42 USC 300 to 300a-8 shall be
15 in compliance with all performance and quality assurance indicators
16 that the office of family planning within the United States
17 department of health and human services specifies in the program
18 guidelines for project grants for family planning services. An
19 agency not in compliance with the indicators shall not receive
20 supplemental or reallocated funds.

21 Sec. 1108. The funds appropriated in part 1 for pregnancy
22 prevention programs shall not be used to provide abortion
23 counseling, referrals, or services.

24 Sec. 1109. (1) From the amounts appropriated in part 1 for
25 dental programs, funds shall be allocated to the Michigan dental
26 association for the administration of a volunteer dental program
27 that provides dental services to the uninsured.



1 (2) Not later than December 1 of the current fiscal year, the
2 department shall report to the senate and house appropriations
3 subcommittees on community health and the senate and house standing
4 committees on health policy the number of individual patients
5 treated, number of procedures performed, and approximate total
6 market value of those procedures from the immediately preceding
7 fiscal year.

8 Sec. 1117. Contingent upon the availability of federal or
9 state restricted funds, the department may pursue efforts to reduce
10 the incidence of stillbirth. Efforts shall include the
11 establishment of a program to increase public awareness of
12 stillbirth, promote education to monitor fetal movements counting
13 kicks, promote a uniform definition of stillbirth, standardize data
14 collection of stillbirths, and collaborate with appropriate federal
15 agencies and statewide organizations. The department shall seek
16 federal or other grant funds to assist in implementing this
17 program.

18 Sec. 1119. From the funds appropriated in part 1 for family
19 planning local agreements or pregnancy prevention programs, no
20 state funds shall be used to encourage or support abortion
21 services.

22 Sec. 1135. (1) If funds become available, provision of the
23 school health education curriculum, such as the Michigan model for
24 health or another comprehensive school health education curriculum,
25 shall be in accordance with the health education goals established
26 by the Michigan model steering committee. The steering committee
27 shall be composed of a representative from each of the following



1 offices and departments:

2 (a) The department of education.

3 (b) The department of community health.

4 (c) The health administration in the department of community
5 health.

6 (d) The behavioral health and developmental disabilities
7 administration in the department of community health.

8 (e) The department of human services.

9 (f) The department of state police.

10 (2) Upon written or oral request, a pupil not less than 18
11 years of age or a parent or legal guardian of a pupil less than 18
12 years of age, within a reasonable period of time after the request
13 is made, shall be informed of the content of a course in the health
14 education curriculum and may examine textbooks and other classroom
15 materials that are provided to the pupil or materials that are
16 presented to the pupil in the classroom. This subsection does not
17 require a school board to permit pupil or parental examination of
18 test questions and answers, scoring keys, or other examination
19 instruments or data used to administer an academic examination.

20 Sec. 1136. From the funds appropriated in part 1 for prenatal
21 care outreach and service delivery support, \$700,000.00 shall be
22 allocated for a pregnancy and parenting support services program as
23 a pilot project, which program must promote childbirth. The
24 department shall establish a statewide program with a qualified
25 contractor that will contract with qualified service providers to
26 provide free counseling, support, and referral services to eligible
27 women during pregnancy through 12 months after birth. As



1 appropriate, the goals for client outcomes shall include an
2 increase in client support, an increase in childbirth choice, an
3 increase in adoption knowledge, an improvement in parenting skills,
4 and improved reproductive health through abstinence education. The
5 contractor of the statewide program shall provide for program
6 training, client educational material, program marketing, and
7 annual provider site monitoring.

8 Sec. 1137. From the funds appropriated in part 1 for prenatal
9 care outreach and service delivery support, not less than
10 \$350,000.00 of new funding shall be allocated to the nurse family
11 partnership program for the following projects:

12 (a) Enhanced support and education to nursing teams.

13 (b) Client recruitment in high-need communities.

14 (c) A nurse family partnership program in a city with a
15 population of 600,000 or more for strategic planning to expand and
16 sustain the program and for marketing and communications of the
17 program to raise awareness, engage stakeholders, and recruit
18 nurses.

19 Sec. 1138. The department shall allocate funds appropriated in
20 section 113 of part 1 for family, maternal, and children's health
21 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

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

23 Sec. 1202. The department may do 1 or more of the following:

24 (a) Provide special formula for eligible clients with
25 specified metabolic and allergic disorders.

26 (b) Provide medical care and treatment to eligible patients



1 with cystic fibrosis who are 21 years of age or older.

2 (c) Provide medical care and treatment to eligible patients
3 with hereditary coagulation defects, commonly known as hemophilia,
4 who are 21 years of age or older.

5 (d) Provide human growth hormone to eligible patients.

6 Sec. 1204. By October 1 of the current fiscal year, the
7 department shall report to the senate and house appropriations
8 committees on community health and the senate and house fiscal
9 agencies on its plan for enrolling Medicaid eligible children's
10 special health care services recipients in the Medicaid health
11 plans. The report shall include information on which Medicaid
12 health plans are participating, the methods used to assure
13 continuity of care and continuity of ongoing relationships with
14 providers, and projected savings from the implementation of the
15 proposal.

16 **CRIME VICTIM SERVICES COMMISSION**

17 Sec. 1302. From the funds appropriated in part 1 for justice
18 assistance grants, up to \$200,000.00 shall be allocated for
19 expansion of forensic nurse examiner programs to facilitate
20 training for improved evidence collection for the prosecution of
21 sexual assault. The funds shall be used for program coordination
22 and training.

23 **OFFICE OF SERVICES TO THE AGING**

24 Sec. 1403. (1) By February 1 of the current fiscal year, the
25 office of services to the aging shall require each region to report



1 to the office of services to the aging and to the legislature home-
2 delivered meals waiting lists based upon standard criteria.

3 Determining criteria shall include all of the following:

4 (a) The recipient's degree of frailty.

5 (b) The recipient's inability to prepare his or her own meals
6 safely.

7 (c) Whether the recipient has another care provider available.

8 (d) Any other qualifications normally necessary for the
9 recipient to receive home-delivered meals.

10 (2) Data required in subsection (1) shall be recorded only for
11 individuals who have applied for participation in the home-
12 delivered meals program and who are initially determined as likely
13 to be eligible for home-delivered meals.

14 Sec. 1417. The department shall provide to the senate and
15 house appropriations subcommittees on community health, senate and
16 house fiscal agencies, and state budget director a report by March
17 30 of the current fiscal year that contains all of the following:

18 (a) The total allocation of state resources made to each area
19 agency on aging by individual program and administration.

20 (b) Detail expenditure by each area agency on aging by
21 individual program and administration including both state-funded
22 resources and locally-funded resources.

23 Sec. 1420. If funds become available, the department shall
24 create a pilot project to establish an aging care management
25 services program with services provided solely by nurses. This
26 pilot project shall be established in a county with a population
27 greater than 150,000 but less than 250,000.



1 Sec. 1421. From the funds appropriated in part 1 for community
2 services, \$1,100,000.00 shall be allocated to area agencies on
3 aging for locally determined needs.

4 **MEDICAL SERVICES ADMINISTRATION**

5 Sec. 1501. The unexpended funds appropriated in part 1 for the
6 electronic health records incentive program are considered work
7 project appropriations, and any unencumbered or unallotted funds
8 are carried forward into the following fiscal year. The following
9 is in compliance with section 451a(1) of the management and budget
10 act, 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project to be carried forward is to
12 implement the Medicaid electronic health record program that
13 provides financial incentive payments to Medicaid health care
14 providers to encourage the adoption and meaningful use of
15 electronic health records to improve quality, increase efficiency,
16 and promote safety.

17 (b) The projects will be accomplished according to the
18 approved federal advanced planning document.

19 (c) The estimated cost of this project phase is identified in
20 the appropriation line item.

21 (d) The tentative completion date for the work project is
22 September 30, 2018.

23 **MEDICAL SERVICES**

24 Sec. 1601. The cost of remedial services incurred by residents
25 of licensed adult foster care homes and licensed homes for the aged



1 shall be used in determining financial eligibility for the
2 medically needy. Remedial services include basic self-care and
3 rehabilitation training for a resident.

4 Sec. 1603. (1) The department may establish a program for
5 individuals to purchase medical coverage at a rate determined by
6 the department.

7 (2) The department may receive and expend premiums for the
8 buy-in of medical coverage in addition to the amounts appropriated
9 in part 1.

10 (3) The premiums described in this section shall be classified
11 as private funds.

12 Sec. 1605. The protected income level for Medicaid coverage
13 determined pursuant to section 106(1)(b)(iii) of the social welfare
14 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
15 assistance standard.

16 Sec. 1606. For the purpose of guardian and conservator
17 charges, the department of community health may deduct up to \$60.00
18 per month as an allowable expense against a recipient's income when
19 determining medical services eligibility and patient pay amounts.

20 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
21 condition is pregnancy, shall immediately be presumed to be
22 eligible for Medicaid coverage unless the preponderance of evidence
23 in her application indicates otherwise. The applicant who is
24 qualified as described in this subsection shall be allowed to
25 select or remain with the Medicaid participating obstetrician of
26 her choice.

27 (2) An applicant qualified as described in subsection (1)



1 shall be given a letter of authorization to receive Medicaid
2 covered services related to her pregnancy. All qualifying
3 applicants shall be entitled to receive all medically necessary
4 obstetrical and prenatal care without preauthorization from a
5 health plan. All claims submitted for payment for obstetrical and
6 prenatal care shall be paid at the Medicaid fee-for-service rate in
7 the event a contract does not exist between the Medicaid
8 participating obstetrical or prenatal care provider and the managed
9 care plan. The applicant shall receive a listing of Medicaid
10 physicians and managed care plans in the immediate vicinity of the
11 applicant's residence.

12 (3) In the event that an applicant, presumed to be eligible
13 pursuant to subsection (1), is subsequently found to be ineligible,
14 a Medicaid physician or managed care plan that has been providing
15 pregnancy services to an applicant under this section is entitled
16 to reimbursement for those services until such time as they are
17 notified by the department that the applicant was found to be
18 ineligible for Medicaid.

19 (4) If the preponderance of evidence in an application
20 indicates that the applicant is not eligible for Medicaid, the
21 department shall refer that applicant to the nearest public health
22 clinic or similar entity as a potential source for receiving
23 pregnancy-related services.

24 (5) The department shall develop an enrollment process for
25 pregnant women covered under this section that facilitates the
26 selection of a managed care plan at the time of application.

27 (6) The department shall mandate enrollment of women, whose



1 qualifying condition is pregnancy, into Medicaid managed care
2 plans.

3 (7) The department shall encourage physicians to provide
4 women, whose qualifying condition for Medicaid is pregnancy, with a
5 referral to a Medicaid participating dentist at the first
6 pregnancy-related appointment.

7 Sec. 1611. (1) For care provided to medical services
8 recipients with other third-party sources of payment, medical
9 services reimbursement shall not exceed, in combination with such
10 other resources, including Medicare, those amounts established for
11 medical services-only patients. The medical services payment rate
12 shall be accepted as payment in full. Other than an approved
13 medical services co-payment, no portion of a provider's charge
14 shall be billed to the recipient or any person acting on behalf of
15 the recipient. Nothing in this section shall be considered to
16 affect the level of payment from a third-party source other than
17 the medical services program. The department shall require a
18 nonenrolled provider to accept medical services payments as payment
19 in full.

20 (2) Notwithstanding subsection (1), medical services
21 reimbursement for hospital services provided to dual
22 Medicare/medical services recipients with Medicare part B coverage
23 only shall equal, when combined with payments for Medicare and
24 other third-party resources, if any, those amounts established for
25 medical services-only patients, including capital payments.

26 Sec. 1620. (1) For fee-for-service recipients who do not
27 reside in nursing homes, the pharmaceutical dispensing fee shall be



1 \$2.75 or the pharmacy's usual or customary cash charge, whichever
2 is less. For nursing home residents, the pharmaceutical dispensing
3 fee shall be \$3.00 or the pharmacy's usual or customary cash
4 charge, whichever is less.

5 (2) The department shall require a prescription co-payment for
6 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
7 brand-name drug, except as prohibited by federal or state law or
8 regulation.

9 Sec. 1629. The department shall utilize maximum allowable cost
10 pricing for generic drugs that is based on wholesaler pricing to
11 providers that is available from at least 2 wholesalers who deliver
12 in the state of Michigan.

13 Sec. 1631. (1) The department shall require co-payments on
14 dental, podiatric, and vision services provided to Medicaid
15 recipients, except as prohibited by federal or state law or
16 regulation.

17 (2) Except as otherwise prohibited by federal or state law or
18 regulations, the department shall require Medicaid recipients to
19 pay the following co-payments:

20 (a) Two dollars for a physician office visit.

21 (b) Three dollars for a hospital emergency room visit.

22 (c) Fifty dollars for the first day of an inpatient hospital
23 stay.

24 (d) One dollar for an outpatient hospital visit.

25 Sec. 1641. An institutional provider that is required to
26 submit a cost report under the medical services program shall
27 submit cost reports completed in full within 5 months after the end



1 of its fiscal year.

2 Sec. 1657. (1) Reimbursement for medical services to screen
3 and stabilize a Medicaid recipient, including stabilization of a
4 psychiatric crisis, in a hospital emergency room shall not be made
5 contingent on obtaining prior authorization from the recipient's
6 HMO. If the recipient is discharged from the emergency room, the
7 hospital shall notify the recipient's HMO within 24 hours of the
8 diagnosis and treatment received.

9 (2) If the treating hospital determines that the recipient
10 will require further medical service or hospitalization beyond the
11 point of stabilization, that hospital shall receive authorization
12 from the recipient's HMO prior to admitting the recipient.

13 (3) Subsections (1) and (2) do not require an alteration to an
14 existing agreement between an HMO and its contracting hospitals and
15 do not require an HMO to reimburse for services that are not
16 considered to be medically necessary.

17 Sec. 1659. The following sections of this act are the only
18 ones that shall apply to the following Medicaid managed care
19 programs, including the comprehensive plan, MIChoice long-term care
20 plan, and the mental health, substance abuse, and developmentally
21 disabled services program: 404, 411, 418, 428, 474, 494, 1607,
22 1657, 1662, 1689, 1699, 1740, 1764, 1815, 1820, and 1850.

23 Sec. 1662. (1) The department shall assure that an external
24 quality review of each contracting HMO is performed that results in
25 an analysis and evaluation of aggregated information on quality,
26 timeliness, and access to health care services that the HMO or its
27 contractors furnish to Medicaid beneficiaries.



1 (2) The department shall require Medicaid HMOs to provide
2 EPSDT utilization data through the encounter data system, and HEDIS
3 well child health measures in accordance with the national
4 committee for quality assurance prescribed methodology.

5 (3) The department shall provide a copy of the analysis of the
6 Medicaid HMO annual audited HEDIS reports and the annual external
7 quality review report to the senate and house of representatives
8 appropriations subcommittees on community health, the senate and
9 house fiscal agencies, and the state budget director, within 30
10 days of the department's receipt of the final reports from the
11 contractors.

12 Sec. 1670. (1) The appropriation in part 1 for the MICHild
13 program is to be used to provide comprehensive health care to all
14 children under age 19 who reside in families with income at or
15 below 200% of the federal poverty level, who are uninsured and have
16 not had coverage by other comprehensive health insurance within 6
17 months of making application for MICHild benefits, and who are
18 residents of this state. The department shall develop detailed
19 eligibility criteria through the medical services administration
20 public concurrence process, consistent with the provisions of this
21 act. Health coverage for children in families between 150% and 200%
22 of the federal poverty level shall be provided through a state-
23 based private health care program.

24 (2) The department may provide up to 1 year of continuous
25 eligibility to children eligible for the MICHild program unless the
26 family fails to pay the monthly premium, a child reaches age 19, or
27 the status of the children's family changes and its members no



1 longer meet the eligibility criteria as specified in the federally
2 approved MICHild state plan.

3 (3) Children whose category of eligibility changes between the
4 Medicaid and MICHild programs shall be assured of keeping their
5 current health care providers through the current prescribed course
6 of treatment for up to 1 year, subject to periodic reviews by the
7 department if the beneficiary has a serious medical condition and
8 is undergoing active treatment for that condition.

9 (4) To be eligible for the MICHild program, a child must be
10 residing in a family with an adjusted gross income of less than or
11 equal to 200% of the federal poverty level. The department's
12 verification policy shall be used to determine eligibility.

13 (5) The department shall contract with Medicaid health plans
14 to provide physical health services to MICHild enrollees in their
15 Medicaid health plan approved service area. The department may
16 continue to obtain physical health services for MICHild enrollees
17 from health maintenance organizations and preferred provider
18 organizations currently under contract for whatever duration is
19 needed to implement coverage throughout the state by Medicaid
20 health plans. The department shall contract with qualified dental
21 plans to provide dental coverage for MICHild enrollees.

22 (6) The department may enter into contracts to obtain certain
23 MICHild services from community mental health service programs.

24 (7) The department may make payments on behalf of children
25 enrolled in the MICHild program from the line-item appropriation
26 associated with the program as described in the MICHild state plan
27 approved by the United States department of health and human



1 services, or from other medical services.

2 (8) The department shall assure that an external quality
3 review of each MIChild contractor, as described in subsection (5),
4 is performed, which analyzes and evaluates the aggregated
5 information on quality, timeliness, and access to health care
6 services that the contractor furnished to MIChild beneficiaries.

7 (9) The department shall develop an automatic enrollment
8 algorithm that is based on quality and performance factors.

9 (10) MIChild services shall include treatment for autism
10 spectrum disorders as defined in the federally approved Medicaid
11 state plan.

12 Sec. 1673. The department may establish premiums for MIChild
13 eligible individuals in families with income above 150% of the
14 federal poverty level. The monthly premiums shall not be less than
15 \$10.00 or exceed \$15.00 for a family.

16 Sec. 1677. The MIChild program shall provide all benefits
17 available under the state employee insurance plan that are
18 delivered through contracted providers and consistent with federal
19 law, including, but not limited to, the following medically
20 necessary services:

21 (a) Inpatient mental health services, other than substance
22 abuse treatment services, including services furnished in a state-
23 operated mental hospital and residential or other 24-hour
24 therapeutically planned structured services.

25 (b) Outpatient mental health services, other than substance
26 abuse services, including services furnished in a state-operated
27 mental hospital and community-based services.



1 (c) Durable medical equipment and prosthetic and orthotic
2 devices.

3 (d) Dental services as outlined in the approved MIChild state
4 plan.

5 (e) Substance abuse treatment services that may include
6 inpatient, outpatient, and residential substance abuse treatment
7 services.

8 (f) Care management services for mental health diagnoses.

9 (g) Physical therapy, occupational therapy, and services for
10 individuals with speech, hearing, and language disorders.

11 (h) Emergency ambulance services.

12 Sec. 1682. (1) The department shall implement enforcement
13 actions as specified in the nursing facility enforcement provisions
14 of section 1919 of title XIX, 42 USC 1396r.

15 (2) In addition to the appropriations in part 1, the
16 department is authorized to receive and spend penalty money
17 received as the result of noncompliance with medical services
18 certification regulations. Penalty money, characterized as private
19 funds, received by the department shall increase authorizations and
20 allotments in the long-term care accounts.

21 (3) The department is authorized to provide civil monetary
22 penalty funds to the disability network/Michigan to be distributed
23 to the 15 centers for independent living for the purpose of
24 assisting individuals with disabilities who reside in nursing homes
25 to return to their own homes.

26 (4) The department is authorized to use civil monetary penalty
27 funds to conduct a survey evaluating consumer satisfaction and the



1 quality of care at nursing homes. Factors can include, but are not
2 limited to, the level of satisfaction of nursing home residents,
3 their families, and employees. The department may use an
4 independent contractor to conduct the survey.

5 (5) Any unexpended penalty money, at the end of the year,
6 shall carry forward to the following year.

7 Sec. 1689. Within 60 days of the end of each fiscal year, the
8 department shall provide a report to the senate and house
9 appropriations subcommittees on community health and the senate and
10 house fiscal agencies that presents the number of individuals
11 transitioned from nursing homes to the home- and community-based
12 services waiver program, the number of individuals enrolled into
13 the home- and community-based services waiver program from the
14 community, the number of unique individuals served, the number of
15 days of care provided during the fiscal year, the estimated average
16 cost per day, and the number of individuals on waiting lists for
17 the home- and community-based services waiver program as of
18 September 30 of the current fiscal year.

19 Sec. 1692. (1) The department is authorized to pursue
20 reimbursement for eligible services provided in Michigan schools
21 from the federal Medicaid program. The department and the state
22 budget director are authorized to negotiate and enter into
23 agreements, together with the department of education, with local
24 and intermediate school districts regarding the sharing of federal
25 Medicaid services funds received for these services. The department
26 is authorized to receive and disburse funds to participating school
27 districts pursuant to such agreements and state and federal law.



1 (2) From the funds appropriated in part 1 for medical services
2 school-based services payments, the department is authorized to do
3 all of the following:

4 (a) Finance activities within the medical services
5 administration related to this project.

6 (b) Reimburse participating school districts pursuant to the
7 fund-sharing ratios negotiated in the state-local agreements
8 authorized in subsection (1).

9 (c) Offset general fund costs associated with the medical
10 services program.

11 Sec. 1693. The special Medicaid reimbursement appropriation in
12 part 1 may be increased if the department submits a medical
13 services state plan amendment pertaining to this line item at a
14 level higher than the appropriation. The department is authorized
15 to appropriately adjust financing sources in accordance with the
16 increased appropriation.

17 Sec. 1694. (1) The department shall distribute \$1,122,300.00
18 for poison control services to an academic health care system that
19 includes a children's hospital that has a high indigent care
20 volume.

21 (2) By March 1 of the current fiscal year, the department
22 shall report to the senate and house appropriations subcommittees
23 on community health and the senate and house fiscal agencies on the
24 adequacy of the payment described in subsection (1).

25 Sec. 1699. (1) The department may make separate payments in
26 the amount of \$45,000,000.00 directly to qualifying hospitals
27 serving a disproportionate share of indigent patients and to



1 hospitals providing GME training programs. If direct payment for
2 GME and DSH is made to qualifying hospitals for services to
3 Medicaid clients, hospitals shall not include GME costs or DSH
4 payments in their contracts with HMOs.

5 (2) The department shall allocate \$45,000,000.00 in DSH
6 funding using the distribution methodology used in fiscal year
7 2003-2004.

8 (3) By September 30 of the current fiscal year, the department
9 shall report to the senate and house appropriations subcommittees
10 on community health and the senate and house fiscal agencies on the
11 new distribution of funding to each eligible hospital from the GME
12 and DSH pools.

13 Sec. 1740. From the funds appropriated in part 1 for health
14 plan services, the department shall assure that all GME funds
15 continue to be promptly distributed to qualifying hospitals using
16 the methodology developed in consultation with the graduate medical
17 education advisory group during fiscal year 2006-2007.

18 Sec. 1756. The department shall develop a plan to expand and
19 improve the beneficiary monitoring program. The department shall
20 submit this plan to the house and senate appropriations
21 subcommittees on community health, the house and senate fiscal
22 agencies, and the state budget director by April 1 of the current
23 fiscal year.

24 Sec. 1757. The department shall direct the department of human
25 services to obtain proof from all Medicaid recipients that they are
26 legal United States citizens or otherwise legally residing in this
27 country and that they are residents of this state before approving



1 Medicaid eligibility.

2 Sec. 1764. The department shall annually certify rates paid to
3 Medicaid health plans and specialty prepaid inpatient health plans
4 as being actuarially sound in accordance with federal requirements
5 and shall provide a copy of the rate certification and approval
6 immediately to the house and senate appropriations subcommittees on
7 community health and the house and senate fiscal agencies.

8 Sec. 1775. If the state's application for a waiver to
9 implement managed care for dual Medicare/Medicaid eligibles is
10 approved by the federal government, the department shall provide
11 quarterly reports to the senate and house appropriations
12 subcommittees on community health and the senate and house fiscal
13 agencies on progress in implementing the waiver.

14 Sec. 1777. From the funds appropriated in part 1 for long-term
15 care services, the department shall permit, in accordance with
16 applicable federal and state law, nursing homes to use dining
17 assistants to feed eligible residents if legislation to permit the
18 use of dining assistants is enacted into law. The department shall
19 not be responsible for costs associated with training dining
20 assistants.

21 Sec. 1793. The department shall consider the development of a
22 pilot project that focuses on the prevention of preventable
23 hospitalizations from nursing homes.

24 Sec. 1804. The department, in cooperation with the department
25 of human services, shall work with the federal public assistance
26 reporting information system to identify Medicaid recipients who
27 are veterans and who may be eligible for federal veterans health



1 care benefits or other benefits.

2 Sec. 1815. From the funds appropriated in part 1 for health
3 plan services, the department shall not implement a capitation
4 withhold as part of the overall capitation rate schedule that
5 exceeds the 0.19% withhold administered during fiscal year 2008-
6 2009.

7 Sec. 1820. (1) In order to avoid duplication of efforts, the
8 department shall utilize applicable national accreditation review
9 criteria to determine compliance with corresponding state
10 requirements for Medicaid health plans that have been reviewed and
11 accredited by a national accrediting entity for health care
12 services.

13 (2) Upon submission by Medicaid health plans of a listing of
14 program requirements that are part of the state program review
15 criteria but are not reviewed by an applicable national accrediting
16 entity, the department shall review the listing and provide a
17 recommendation to the house and senate appropriations subcommittees
18 on community health, the house and senate fiscal agencies, and the
19 state budget office as to whether or not state program review
20 should continue. The Medicaid health plans may request the
21 department to convene a workgroup to fulfill this section.

22 (3) The department shall continue to comply with state and
23 federal law and shall not initiate an action that negatively
24 impacts beneficiary safety.

25 (4) As used in this section, "national accrediting entity"
26 means the national committee for quality assurance, the utilization
27 review accreditation committee, or other appropriate entity, as



1 approved by the department.

2 (5) By July 1 of the current fiscal year, the department shall
3 provide a progress report to the house and senate appropriations
4 subcommittees on community health, the house and senate fiscal
5 agencies, and the state budget office on implementation of this
6 section.

7 Sec. 1837. The department shall explore utilization of
8 telemedicine and telepsychiatry as strategies to increase access to
9 services for Medicaid recipients in medically underserved areas.

10 Sec. 1842. (1) Subject to the availability of funds, the
11 department shall adjust the hospital outpatient Medicaid
12 reimbursement rate for qualifying hospitals as provided in this
13 section. The Medicaid reimbursement rate for qualifying hospitals
14 shall be adjusted to provide each qualifying hospital with its
15 actual cost of delivering outpatient services to Medicaid
16 recipients.

17 (2) As used in this section, "qualifying hospital" means a
18 hospital that has not more than 50 staffed beds and is either
19 located outside a metropolitan statistical area or in a
20 metropolitan statistical area but within a city, village, or
21 township with a population of not more than 12,000 according to the
22 official 2000 federal decennial census and within a county with a
23 population of not more than 165,000 according to the official 2000
24 federal decennial census.

25 Sec. 1846. (1) The department shall conduct research on the
26 effectiveness of graduate medical education funding.

27 (2) The research shall do all of the following:



1 (a) Identify physician shortages by practice and geographic
2 area.

3 (b) Consider efforts by other states to use graduate medical
4 education funding to address shortages.

5 (c) Consider policy changes to the graduate medical education
6 program to reduce practitioner shortages.

7 (3) The department shall report the results of the research to
8 the senate and house appropriations subcommittees on community
9 health, the senate and house fiscal agencies, and the state budget
10 director by April 1 of the current fiscal year.

11 Sec. 1847. The department shall create a structure for an
12 ambulance quality assurance assessment program in consultation with
13 the Michigan association of ambulance services by April 1 of the
14 current fiscal year.

15 Sec. 1850. The department may allow Medicaid health plans to
16 assist with the redetermination process through outreach activities
17 to ensure continuation of Medicaid eligibility and enrollment in
18 managed care. This may include mailings, telephone contact, or
19 face-to-face contact with beneficiaries enrolled in the individual
20 Medicaid health plan. Health plans may offer assistance in
21 completing paperwork for beneficiaries enrolled in their plan.

22 Sec. 1854. The department may work with a provider of kidney
23 dialysis services and renal care as authorized under section 2703
24 of the patient protection and affordable care act, Public Law 111-
25 148, to develop a chronic condition health home program for
26 Medicaid enrollees identified with chronic kidney disease and who
27 are beginning dialysis. If initiated, the department shall develop



1 metrics that evaluate program effectiveness and submit a report by
2 June 1 of the current fiscal year to the senate and house
3 appropriations subcommittees on community health. Metrics shall
4 include cost savings and clinical outcomes.

5 Sec. 1857. It is the intent of the legislature that the
6 department not reduce Medicaid reimbursement for wheelchairs.

7 Sec. 1858. Medicaid services shall include treatment for
8 autism spectrum disorders as defined in the federally approved
9 Medicaid state plan.

10 Sec. 1860. The department may receive separate reports from
11 the health care association of Michigan, the Michigan county
12 medical care facility council, and aging services of Michigan
13 regarding each group's proposal to design and implement a Medicaid
14 reimbursement payment system for nursing facilities that
15 incorporates changes to both the plant and variable components. The
16 department shall provide copies of any reports received pursuant to
17 this section to the senate and house appropriations subcommittees
18 on community health and the senate and house fiscal agencies by
19 July 1 of the current fiscal year.

20 Sec. 1861. On or before October 31 of the current fiscal year,
21 the department shall provide the house and senate appropriations
22 subcommittees on community health and the house and senate fiscal
23 agencies its report regarding the pilot program involving
24 nonemergency medical transportation offered to Medicaid recipients.

25 Sec. 1865. Upon federal approval of the department's proposal
26 for integrated care for individuals who are dual Medicare/Medicaid
27 eligibles, the department shall provide the senate and house



FOR FISCAL YEAR 2014-2015

GENERAL SECTIONS

1 Sec. 2001. It is the intent of the legislature to provide
2
3 appropriations for the fiscal year ending on September 30, 2015 for
4 the line items listed in part 1. The fiscal year 2014-2015
5 appropriations are anticipated to be the same as those for fiscal
6 year 2013-2014, except that the line items will be adjusted for
7 changes in caseload and related costs, federal fund match rates,
8 economic factors, and available revenue. These adjustments will be
9 determined after the January 2014 consensus revenue estimating
10 conference.
11

