

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 4114

A bill to make and supplement appropriations for the department of community health for the fiscal years ending September 30, 2015 and September 30, 2016; 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, 2016, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions 6.0



1	Full-time equated classified positions	3,677.1	
2	Average population	893.0	
3	GROSS APPROPRIATION		\$ 18,932,657,100
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers		9,678,100
7	ADJUSTED GROSS APPROPRIATION		\$ 18,922,979,000
8	Federal revenues:		
9	Total federal revenues		13,439,841,000
10	Social security act, temporary assistance for needy		
11	families		17,814,100
12	Special revenue funds:		
13	Total local revenues		85,961,700
14	Total private revenues		127,698,700
15	Merit award trust fund		105,834,700
16	Total other state restricted revenues		2,024,731,500
17	State general fund/general purpose		\$ 3,121,097,300
18	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
19	Full-time equated unclassified positions	6.0	
20	Full-time equated classified positions	190.7	
21	Director and other unclassified--6.0 FTE positions ...		\$ 385,500
22	Departmental administration and management--180.7 FTE		
23	positions		26,399,500
24	Worker's compensation program		5,205,700
25	Rent and building occupancy		10,602,500
26	Developmental disabilities council and projects--10.0		
27	FTE positions		3,038,900



1	Human trafficking intervention services	<u>200,000</u>
2	GROSS APPROPRIATION	\$ 45,832,100
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	16,096,300
6	Special revenue funds:	
7	Total private revenues	35,200
8	Total other state restricted revenues	834,500
9	State general fund/general purpose	\$ 28,866,100
10	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
11	AND SPECIAL PROJECTS	
12	Full-time equated classified positions	106.0
13	Behavioral health program administration--105.0 FTE	
14	positions.....	\$ 63,352,600
15	Gambling addiction--1.0 FTE position	3,003,700
16	Protection and advocacy services support	194,400
17	Community residential and support services	592,100
18	Federal and other special projects	2,535,600
19	Family support subsidy	17,633,600
20	Housing and support services	<u>13,238,800</u>
21	GROSS APPROPRIATION	\$ 100,550,800
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues	48,812,500
25	Social security act, temporary assistance for needy	
26	families.....	17,814,100
27	Special revenue funds:	



1	Total private revenues	1,000,000
2	Total other state restricted revenues	3,003,700
3	State general fund/general purpose	\$ 29,920,500
4	Sec. 104. BEHAVIORAL HEALTH SERVICES	
5	Full-time equated classified positions..... 9.5	
6	Medicaid mental health services	\$ 2,365,893,200
7	Community mental health non-Medicaid services	117,050,400
8	Mental health services for special populations	8,842,800
9	Medicaid substance use disorder services	46,967,800
10	Civil service charges	1,499,300
11	Federal mental health block grant--2.5 FTE positions .	15,444,600
12	State disability assistance program substance use	
13	disorder services.....	2,018,800
14	Community substance use disorder prevention,	
15	education, and treatment.....	74,725,000
16	Children's waiver home care program	20,000,000
17	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,258,800
18	Children with serious emotional disturbance waiver ...	12,647,900
19	Health homes	3,369,000
20	Healthy Michigan plan - behavioral health	310,767,700
21	Autism services	<u>36,769,400</u>
22	GROSS APPROPRIATION	\$ 3,028,254,700
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Interdepartmental grant from the department of human	
26	services.....	6,340,500
27	Federal revenues:	



1	Total federal revenues	2,027,932,300
2	Special revenue funds:	
3	Total local revenues	25,475,800
4	Total other state restricted revenues	23,425,900
5	State general fund/general purpose	\$ 945,080,200
6	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
7	MENTAL HEALTH SERVICES	
8	Total average population.....	893.0
9	Full-time equated classified positions.....	2,130.9
10	Caro Regional Mental Health Center - psychiatric	
11	hospital - adult--461.3 FTE positions.....	\$ 56,358,300
12	Average population.....	185.0
13	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
14	positions.....	64,510,900
15	Average population.....	189.0
16	Walter P. Reuther Psychiatric Hospital - adult--420.8	
17	FTE positions.....	55,849,100
18	Average population.....	234.0
19	Hawthorn Center - psychiatric hospital - children and	
20	adolescents--226.4 FTE positions.....	28,746,000
21	Average population.....	75.0
22	Center for forensic psychiatry--556.3 FTE positions ..	72,558,600
23	Average population.....	210.0
24	Revenue recapture	750,000
25	IDEA, federal special education	120,000
26	Special maintenance	332,500
27	Purchase of medical services for residents of	



1	hospitals and centers	445,600
2	Gifts and bequests for patient living and treatment	
3	environment.....	<u>1,000,000</u>
4	GROSS APPROPRIATION	\$ 280,671,000
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	34,720,700
8	Special revenue funds:	
9	Total local revenues	19,490,600
10	Total private revenues	1,000,000
11	Total other state restricted revenues	18,878,700
12	State general fund/general purpose	\$ 206,581,000
13	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
14	Full-time equated classified positions.....	100.4
15	Public health administration--7.3 FTE positions	\$ 1,567,800
16	Health and wellness initiatives--11.7 FTE positions ..	8,946,400
17	Vital records and health statistics--81.4 FTE	
18	positions.....	<u>11,763,400</u>
19	GROSS APPROPRIATION	\$ 22,277,600
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	Interdepartmental grant from the department of human	
23	services.....	1,206,100
24	Federal revenues:	
25	Total federal revenues	3,650,800
26	Special revenue funds:	
27	Total other state restricted revenues	12,337,600



1	State general fund/general purpose	\$	5,083,100
2	Sec. 107. HEALTH POLICY		
3	Full-time equated classified positions		64.8
4	Certificate of need program administration--12.3 FTE		
5	positions.....	\$	2,781,400
6	Emergency medical services program--23.0 FTE positions		6,415,200
7	Health innovation grants		100
8	Health policy administration--24.1 FTE positions		53,106,300
9	Michigan essential health provider		3,591,300
10	Minority health grants and contracts		612,700
11	Nurse education and research program--3.0 FTE		
12	positions.....		1,041,500
13	Primary care services--1.4 FTE positions		4,067,500
14	Rural health services--1.0 FTE position		1,555,500
15	GROSS APPROPRIATION	\$	73,171,500
16	Appropriated from:		
17	Interdepartmental grant revenues:		
18	Interdepartmental grant from the department of		
19	licensing and regulatory affairs		1,041,500
20	Interdepartmental grant from the department of		
21	treasury, Michigan state hospital finance authority .		116,000
22	Federal revenues:		
23	Total federal revenues		57,987,200
24	Special revenue funds:		
25	Total private revenues		865,000
26	Total other state restricted revenues		6,561,700
27	State general fund/general purpose	\$	6,600,100



1	Sec. 108. LABORATORY SERVICES	
2	Full-time equated classified positions	100.0
3	Laboratory services--100.0 FTE positions	\$ <u>20,295,500</u>
4	GROSS APPROPRIATION	\$ 20,295,500
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	Interdepartmental grant from the department of	
8	environmental quality.....	974,000
9	Federal revenues:	
10	Total federal revenues	2,294,400
11	Special revenue funds:	
12	Total other state restricted revenues	10,261,900
13	State general fund/general purpose	\$ 6,765,200
14	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE	
15	Full-time equated classified positions	144.9
16	AIDS surveillance and prevention program	\$ 1,854,100
17	Bioterrorism preparedness--52.0 FTE positions	30,077,600
18	Epidemiology administration--41.6 FTE positions	12,455,700
19	Healthy homes program--8.0 FTE positions	4,384,300
20	Immunization program--12.8 FTE positions	16,317,900
21	Newborn screening follow-up and treatment services--	
22	10.5 FTE positions.....	7,223,000
23	Sexually transmitted disease control program--20.0 FTE	
24	positions.....	6,246,900
25	Tuberculosis control and prevention	<u>867,000</u>
26	GROSS APPROPRIATION	\$ 79,426,500
27	Appropriated from:	



1	Federal revenues:	
2	Total federal revenues	60,864,000
3	Special revenue funds:	
4	Total private revenues	339,000
5	Total other state restricted revenues	11,577,900
6	State general fund/general purpose	\$ 6,645,600
7	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
8	Full-time equated classified positions	2.0
9	Essential local public health services	\$ 40,886,100
10	Implementation of 1993 PA 133, MCL 333.17015	20,000
11	Local health services--2.0 FTE positions	536,100
12	Medicaid outreach cost reimbursement to local health	
13	departments.....	<u>9,000,000</u>
14	GROSS APPROPRIATION	\$ 50,442,200
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	9,536,100
18	Special revenue funds:	
19	Total local revenues	5,150,000
20	State general fund/general purpose	\$ 35,756,100
21	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND	
22	HEALTH PROMOTION	
23	Full-time equated classified positions	113.0
24	AIDS prevention, testing, and care programs--47.7 FTE	
25	positions.....	\$ 70,423,000
26	Cancer prevention and control program--13.0 FTE	
27	positions.....	15,005,800



1	Chronic disease control and health promotion	
2	administration--29.4 FTE positions	6,356,200
3	Diabetes and kidney program--8.0 FTE positions	3,038,100
4	Smoking prevention program--12.0 FTE positions	2,107,600
5	Violence prevention--2.9 FTE positions	<u>1,823,700</u>
6	GROSS APPROPRIATION	\$ 98,754,400
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	52,671,100
10	Special revenue funds:	
11	Total private revenues	38,778,400
12	Total other state restricted revenues	5,534,000
13	State general fund/general purpose	\$ 1,770,900
14	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
15	SERVICES	
16	Full-time equated classified positions	69.6
17	Childhood lead program--2.5 FTE positions	\$ 1,563,300
18	Dental programs--3.0 FTE positions	1,667,200
19	Dental program for persons with developmental	
20	disabilities.....	151,000
21	Family, maternal, and children's health services	
22	administration--50.1 FTE positions	8,437,000
23	Family planning local agreements	8,310,700
24	Local MCH services	7,018,100
25	Pregnancy prevention program	602,100
26	Prenatal care outreach and service delivery support--	
27	14.0 FTE positions.....	18,933,000



1	Special projects	6,289,100
2	Sudden infant death syndrome program	<u>321,300</u>
3	GROSS APPROPRIATION	\$ 53,292,800
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	42,214,500
7	Special revenue funds:	
8	Total local revenues	75,000
9	Total private revenues	874,500
10	Total other state restricted revenues	20,000
11	State general fund/general purpose	\$ 10,108,800
12	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
13	NUTRITION PROGRAM	
14	Full-time equated classified positions	45.0
15	Women, infants, and children program administration	
16	and special projects--45.0 FTE positions	\$ 17,905,900
17	Women, infants, and children program local agreements	
18	and food costs.....	<u>256,285,000</u>
19	GROSS APPROPRIATION	\$ 274,190,900
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	213,113,000
23	Special revenue funds:	
24	Total private revenues	61,077,900
25	State general fund/general purpose	\$ 0
26	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
27	Full-time equated classified positions	46.8



1	Children's special health care services		
2	administration--44.0 FTE positions	\$	5,897,900
3	Requests for care and services--2.8 FTE positions		1,528,200
4	Outreach and advocacy		5,510,000
5	Nonemergency medical transportation		905,900
6	Medical care and treatment		<u>189,966,200</u>
7	GROSS APPROPRIATION	\$	203,808,200
8	Appropriated from:		
9	Federal revenues:		
10	Total federal revenues		107,080,900
11	Special revenue funds:		
12	Total private revenues		1,008,900
13	Total other state restricted revenues		3,858,400
14	State general fund/general purpose	\$	91,860,000
15	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
16	Full-time equated classified positions		13.0
17	Grants administration services--13.0 FTE positions ...	\$	2,129,800
18	Justice assistance grants		15,000,000
19	Crime victim rights services grants		<u>16,870,000</u>
20	GROSS APPROPRIATION	\$	33,999,800
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues		18,697,500
24	Special revenue funds:		
25	Total other state restricted revenues		15,302,300
26	State general fund/general purpose	\$	0
27	Sec. 116. OFFICE OF SERVICES TO THE AGING		



1	Full-time equated classified positions	40.0	
2	Office of services to aging administration--40.0 FTE		
3	positions.....		\$ 7,784,500
4	Community services		39,013,900
5	Nutrition services		39,044,000
6	Foster grandparent volunteer program		2,233,600
7	Retired and senior volunteer program		627,300
8	Senior companion volunteer program		1,604,400
9	Employment assistance		3,500,000
10	Respite care program		<u>5,868,700</u>
11	GROSS APPROPRIATION		\$ 99,676,400
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues		57,525,800
15	Special revenue funds:		
16	Total private revenues		520,000
17	Merit award trust fund		4,068,700
18	Total other state restricted revenues		1,400,000
19	State general fund/general purpose		\$ 36,161,900
20	Sec. 117. MEDICAL SERVICES ADMINISTRATION		
21	Full-time equated classified positions	500.5	
22	Medical services administration--440.5 FTE positions .		\$ 90,248,500
23	Healthy Michigan plan administration--36.0 FTE		
24	positions.....		49,342,300
25	Facility inspection contract		132,800
26	MIChild administration		3,500,000
27	Electronic health record incentive program--24.0 FTE		



1	positions.....	<u>144,226,200</u>
2	GROSS APPROPRIATION	\$ 287,449,800
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	241,588,100
6	Special revenue funds:	
7	Total local revenues	105,700
8	Total private revenues	99,800
9	Total other state restricted revenues	331,300
10	State general fund/general purpose	\$ 45,324,900
11	Sec. 118. MEDICAL SERVICES	
12	Hospital services and therapy	\$ 1,212,378,900
13	Hospital disproportionate share payments	45,000,000
14	Physician services	361,890,200
15	Medicare premium payments	408,503,400
16	Pharmaceutical services	297,891,800
17	Home health services	5,804,700
18	Hospice services	111,982,500
19	Transportation	21,888,200
20	Auxiliary medical services	7,268,800
21	Dental services	222,143,900
22	Ambulance services	11,000,000
23	Long-term care services	1,440,328,500
24	Integrated care organizations	454,700,100
25	Medicaid home- and community-based services waiver ...	325,318,000
26	Adult home help services	262,816,800
27	Personal care services	12,237,000



1	Program of all-inclusive care for the elderly	75,738,600
2	Health plan services	4,861,568,800
3	MICchild program	18,022,600
4	Federal Medicare pharmaceutical program	198,811,800
5	Maternal and child health	20,279,500
6	Healthy Michigan plan	3,215,577,600
7	Subtotal basic medical services program	13,591,151,700
8	School-based services	112,102,700
9	Special Medicaid reimbursement	388,891,700
10	Subtotal special medical services payments	<u>500,994,400</u>
11	GROSS APPROPRIATION	\$ 14,092,146,100
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	10,399,603,000
15	Special revenue funds:	
16	Total local revenues	35,664,600
17	Total private revenues	2,100,000
18	Merit award trust fund	101,766,000
19	Total other state restricted revenues	1,909,417,800
20	State general fund/general purpose	\$ 1,643,594,700
21	Sec. 119. INFORMATION TECHNOLOGY	
22	Information technology services and projects	\$ 36,715,100
23	Michigan Medicaid information system	<u>50,201,100</u>
24	GROSS APPROPRIATION	\$ 86,916,200
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues	45,452,800



1	Special revenue funds:		
2	Total private revenues		20,000,000
3	Total other state restricted revenues		1,985,800
4	State general fund/general purpose	\$	19,477,600
5	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS		
6	University autism programs	\$	100
7	Pay for success contracts		100
8	Child and adolescent health services		100
9	Mental health commission recommendations		1,500,000
10	Dental clinic program		100
11	Drug policy initiatives		100
12	Hospice services		<u>100</u>
13	GROSS APPROPRIATION	\$	1,500,600
14	Appropriated from:.....		
15	State general fund/general purpose	\$	1,500,600

16 PART 1B

17 SUPPLEMENTAL LINE-ITEM APPROPRIATIONS

18 Sec. 191. There is appropriated for the department of

19 community health for the fiscal year ending September 30, 2015,

20 from the following funds:

21 **DEPARTMENT OF COMMUNITY HEALTH**

22 APPROPRIATION SUMMARY

23	GROSS APPROPRIATION	\$	361,118,400
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24 Interdepartmental grant revenues:



1	Total interdepartmental grants and intradepartmental		
2	transfers.....		0
3	ADJUSTED GROSS APPROPRIATION	\$	361,118,400
4	Federal revenues:		
5	Total federal revenues		361,118,400
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		0
10	State general fund/general purpose	\$	0
11	Sec. 192. BEHAVIORAL HEALTH SERVICES		
12	Healthy Michigan plan - behavioral health.....	\$	<u>(10,575,200)</u>
13	GROSS APPROPRIATION	\$	(10,575,200)
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues		(10,575,200)
17	State general fund/general purpose	\$	0
18	Sec. 193. MEDICAL SERVICES		
19	Healthy Michigan plan	\$	371,693,600
20	Subtotal basic medical services program		<u>371,693,600</u>
21	GROSS APPROPRIATION	\$	371,693,600
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues		371,693,600
25	State general fund/general purpose	\$	0



PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2015-2016

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 2015-2016 is \$5,251,663,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2015-2016 is \$1,126,972,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Community residential and support services	\$	592,100
Housing and support services		667,400

BEHAVIORAL HEALTH SERVICES

Medicaid mental health services	\$	785,127,300
Community mental health non-Medicaid services		117,050,400
Mental health services for special populations		8,842,800
Medicaid substance use disorder services		16,157,300
State disability assistance program substance use disorder services.....		2,018,000
Community substance use disorder prevention, education, and treatment.....		14,553,400
Children's waiver home care program		6,880,000
Nursing home PAS/ARR-OBRA		2,725,300

LABORATORY SERVICES



1	Laboratory services	\$	5,000
2	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
3	Sexually transmitted disease control program	\$	377,000
4	LOCAL HEALTH ADMINISTRATION AND GRANTS		
5	Essential local public health services		34,199,500
6	Implementation of 1993 PA 133, MCL 333.17015	\$	300
7	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
8	AIDS prevention, testing, and care programs	\$	606,100
9	Cancer prevention and control program		116,700
10	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
11	Prenatal care outreach and service delivery support ..	\$	2,044,900
12	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
13	Outreach and advocacy		2,204,000
14	Medical care and treatment	\$	949,800
15	CRIME VICTIM SERVICES COMMISSION		
16	Crime victim rights services grants	\$	6,389,800
17	OFFICE OF SERVICES TO THE AGING		
18	Community services	\$	13,333,500
19	Nutrition services		9,287,000
20	Foster grandparent volunteer program		579,200
21	Retired and senior volunteer program		197,300
22	Senior companion volunteer program		351,400
23	Respite care program		5,868,700
24	MEDICAL SERVICES		
25	Hospital services and therapy	\$	2,449,500
26	Physician services		10,665,900
27	Dental services		1,202,000



1 Long-term care services 81,530,900
 2 TOTAL OF PAYMENTS TO LOCAL UNITS
 3 OF GOVERNMENT \$ 1,126,972,500

4 Sec. 202. The appropriations authorized under this part and
 5 part 1 are subject to the management and budget act, 1984 PA 431,
 6 MCL 18.1101 to 18.1594.

7 Sec. 203. As used in this part and part 1:

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

9 (b) "CMHSP" means a community mental health services program
 10 as that term is defined in section 100a of the mental health code,
 11 1974 PA 258, MCL 330.1100a.

12 (c) "Current fiscal year" means the fiscal year ending
 13 September 30, 2016.

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

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

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

17 (g) "EPSDT" means early and periodic screening, diagnosis, and
 18 treatment.

19 (h) "Federal poverty level" means the poverty guidelines
 20 published annually in the federal register by the United States
 21 Department of Health and Human Services under its authority to
 22 revise the poverty line under 42 USC 9902.

23 (i) "FTE" means full-time equated.

24 (j) "GME" means graduate medical education.

25 (k) "Health plan" means, at a minimum, an organization that
 26 meets the criteria for delivering the comprehensive package of
 27 services under the department's comprehensive health plan.



1 (l) "HEDIS" means healthcare effectiveness data and
2 information set.

3 (m) "HMO" means health maintenance organization.

4 (n) "IDEA" means the individuals with disabilities education
5 act, 20 USC 1400 to 1482.

6 (o) "MCH" means maternal and child health.

7 (p) "Medicare" means subchapter XVIII of the social security
8 act, 42 USC 1395 to 1395III.

9 (q) "MIChild" means the program described in section 1670.

10 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
11 resident review required under the omnibus budget reconciliation
12 act of 1987, section 1919(e)(7) of the social security act, 42 USC
13 1396r.

14 (s) "PIHP" means a governmental entity designated by the
15 department as a regional entity or a specialty prepaid inpatient
16 health plan for Medicaid mental health services, services to
17 individuals with developmental disabilities, and substance use
18 disorder services. Regional entities are described in section 204b
19 of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty
20 prepaid inpatient health plans are described in section 232b of the
21 mental health code, 1974 PA 258, MCL 330.1232b.

22 (t) "Temporary assistance for needy families" means part A of
23 subchapter IV of the social security act, 42 USC 601 to 619.

24 (u) "Title X" means title X of the public health service act,
25 42 USC 300 to 300a-8, that establishes grants to states for family
26 planning services.

27 (v) "Title XIX" and "Medicaid" mean subchapter XIX of the



1 social security act, 42 USC 1396 to 1396w-5.

2 Sec. 204. It is the intent of the legislature that any
3 proposal for a new program or an expansion of an existing program
4 in excess of \$1,000,000.00 initiated by the executive branch or the
5 legislature shall include, as part of the original proposal or
6 budget request, a list of benchmarks intended to measure the
7 performance or return on taxpayer investment of the program or
8 spending increase.

9 Sec. 206. (1) In addition to the funds appropriated in part 1,
10 there is appropriated an amount not to exceed \$200,000,000.00 for
11 federal contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item
13 in part 1 under section 393(2) of the management and budget act,
14 1984 PA 431, MCL 18.1393.

15 (2) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$40,000,000.00 for state
17 restricted contingency funds. These funds are not available for
18 expenditure until they have been transferred to another line item
19 in part 1 under section 393(2) of the management and budget act,
20 1984 PA 431, MCL 18.1393.

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

27 (4) In addition to the funds appropriated in part 1, there is



1 appropriated an amount not to exceed \$40,000,000.00 for private
2 contingency funds. These funds are not available for expenditure
3 until they have been transferred to another line item in part 1
4 under section 393(2) of the management and budget act, 1984 PA 431,
5 MCL 18.1393.

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

10 Sec. 208. The departments and agencies receiving
11 appropriations in part 1 shall use the Internet to fulfill the
12 reporting requirements of this part and part 1. This requirement
13 may include transmission of reports via electronic mail to the
14 recipients identified for each reporting requirement, or it may
15 include placement of reports on the Internet.

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

26 Sec. 210. The director and the director of the office of
27 services to the aging shall take all reasonable steps to ensure



1 businesses in deprived and depressed communities compete for and
2 perform contracts to provide services or supplies, or both. The
3 director and the director of the office of services to the aging
4 shall strongly encourage firms with which the department contracts
5 to subcontract with certified businesses in depressed and deprived
6 communities for services, supplies, or both.

7 Sec. 211. If the revenue collected by the department from fees
8 and collections exceeds the amount appropriated in part 1, the
9 revenue may be carried forward with the approval of the state
10 budget director into the subsequent fiscal year. The revenue
11 carried forward under this section shall be used as the first
12 source of funds in the subsequent fiscal year.

13 Sec. 212. (1) On or before February 1 of the current fiscal
14 year, the department shall report to the house and senate
15 appropriations subcommittees on community health, the house and
16 senate fiscal agencies, and the state budget director on the
17 detailed name and amounts of federal, restricted, private, and
18 local sources of revenue that support the appropriations in each of
19 the line items in part 1.

20 (2) Upon the release of the next fiscal year executive budget
21 recommendation, the department shall report to the same parties in
22 subsection (1) on the amounts and detailed sources of federal,
23 restricted, private, and local revenue proposed to support the
24 total funds appropriated in each of the line items in part 1 of the
25 next fiscal year executive budget proposal.

26 Sec. 213. The state departments, agencies, and commissions
27 receiving tobacco tax funds and Healthy Michigan funds from part 1



1 shall report by April 1 of the current fiscal year to the senate
2 and house appropriations committees, the senate and house fiscal
3 agencies, and the state budget director on the following:

4 (a) Detailed spending plan by appropriation line item
5 including description of programs and a summary of organizations
6 receiving these funds.

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

9 (c) Eligibility criteria for program participation and maximum
10 benefit levels where applicable.

11 (d) Outcome measures used to evaluate programs, including
12 measures of the effectiveness of these programs in improving the
13 health of Michigan residents.

14 (e) Any other information considered necessary by the house of
15 representatives or senate appropriations committees or the state
16 budget director.

17 Sec. 216. (1) In addition to funds appropriated in part 1 for
18 all programs and services, there is appropriated for write-offs of
19 accounts receivable, deferrals, and for prior year obligations in
20 excess of applicable prior year appropriations, an amount equal to
21 total write-offs and prior year obligations, but not to exceed
22 amounts available in prior year revenues.

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



1 Sec. 218. The department shall include the following in its
2 annual list of proposed basic health services as required in part
3 23 of the public health code, 1978 PA 368, MCL 333.2301 to
4 333.2321:

5 (a) Immunizations.

6 (b) Communicable disease control.

7 (c) Sexually transmitted disease control.

8 (d) Tuberculosis control.

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

10 (f) Screening newborns for the conditions listed in section
11 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
12 recommended by the newborn screening quality assurance advisory
13 committee created under section 5430 of the public health code,
14 1978 PA 368, MCL 333.5430.

15 (g) Community health annex of the Michigan emergency
16 management plan.

17 (h) Prenatal care.

18 Sec. 219. (1) The department may contract with the Michigan
19 Public Health Institute for the design and implementation of
20 projects and for other public health-related activities prescribed
21 in section 2611 of the public health code, 1978 PA 368, MCL
22 333.2611. The department may develop a master agreement with the
23 Institute to carry out these purposes for up to a 3-year period.
24 The department shall report to the house and senate appropriations
25 subcommittees on community health, the house and senate fiscal
26 agencies, and the state budget director on or before January 1 of
27 the current fiscal year all of the following:



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

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

5 (c) The expected project duration.

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

9 (2) On or before September 30 of the current fiscal year, the
10 department shall provide to the same parties listed in subsection
11 (1) a copy of all reports, studies, and publications produced by
12 the Michigan Public Health Institute, its subcontractors, or the
13 department with the funds appropriated in part 1 and allocated to
14 the Michigan Public Health Institute.

15 Sec. 223. The department may establish and collect fees for
16 publications, videos and related materials, conferences, and
17 workshops. Collected fees shall be used to offset expenditures to
18 pay for printing and mailing costs of the publications, videos and
19 related materials, and costs of the workshops and conferences. The
20 department shall not collect fees under this section that exceed
21 the cost of the expenditures.

22 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
23 state plan amendment, or a similar proposal to the Centers for
24 Medicare and Medicaid Services, the department shall notify the
25 house and senate appropriations subcommittees on community health,
26 the house and senate fiscal agencies, and the state budget office
27 of the submission.



1 (2) The department shall provide written or verbal biannual
2 reports to the senate and house appropriations subcommittees on
3 community health, the senate and house fiscal agencies, and the
4 state budget office summarizing the status of any new or ongoing
5 discussions with the Centers for Medicare and Medicaid Services or
6 the United States Department of Health and Human Services regarding
7 potential or future Medicaid waiver applications.

8 (3) The department shall inform the senate and house
9 appropriations subcommittees on community health and the senate and
10 house fiscal agencies of any alterations or adjustments made to the
11 published plan for integrated care for individuals who are eligible
12 for both Medicare and Medicaid when the final version of the plan
13 has been submitted to the federal Centers for Medicare and Medicaid
14 Services or the United States Department of Health and Human
15 Services.

16 Sec. 266. The departments and agencies receiving
17 appropriations in part 1 shall prepare a report on out-of-state
18 travel expenses not later than January 1 of each year. The travel
19 report shall be a listing of all travel by classified and
20 unclassified employees outside this state in the immediately
21 preceding fiscal year that was funded in whole or in part with
22 funds appropriated in the department's budget. The report shall be
23 submitted to the senate and house appropriations committees, the
24 house and senate fiscal agencies, and the state budget director.
25 The report shall include the following information:

26 (a) The dates of each travel occurrence.

27 (b) The transportation and related costs of each travel



1 occurrence, including the proportion funded with state general
2 fund/general purpose revenues, the proportion funded with state
3 restricted revenues, the proportion funded with federal revenues,
4 and the proportion funded with other revenues.

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

8 Sec. 270. The department shall advise the legislature of the
9 receipt of a notification from the attorney general's office of a
10 legal action in which expenses had been recovered pursuant to
11 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,
12 or any other statute under which the department has the right to
13 recover expenses. By March 1 and September 1 of the current fiscal
14 year, the department shall submit a written report to the house and
15 senate appropriations subcommittees on community health, the house
16 and senate fiscal agencies, and the state budget office which
17 includes, at a minimum, all of the following:

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

19 (b) The program or service for which the money was originally
20 expended.

21 (c) Details on the disposition of the funds recovered such as
22 the appropriation or revenue account in which the money was
23 deposited.

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

25 Sec. 276. Funds appropriated in part 1 shall not be used by a
26 principal executive department, state agency, or authority to hire
27 a person to provide legal services that are the responsibility of



1 the attorney general. This prohibition does not apply to legal
2 services for bonding activities and for those outside services that
3 the attorney general authorizes.

4 Sec. 282. (1) The department shall work with the department of
5 technology, management, and budget to plan for the development of
6 an automated annual metric collection, validation, and reporting
7 system for contracts. The department shall report the status of
8 this work to the house and senate appropriations subcommittees on
9 community health and the house and senate fiscal agencies by
10 February 1 of the current fiscal year.

11 (2) It is the intent of the legislature that the automated
12 system established in subsection (1) shall be able to generate a
13 report to the house and senate appropriations subcommittees on
14 community health and the house and senate fiscal agencies that
15 presents performance metrics on all new or existing contracts at
16 renewal of \$1,000,000.00 or more funded only with state general
17 fund/general purpose or state restricted resources. The performance
18 metrics shall include, at a minimum, service delivery volumes and
19 provider or beneficiary outcomes.

20 Sec. 287. Not later than November 30, the state budget office
21 shall prepare and transmit a report that provides for estimates of
22 the total general fund/general purpose appropriation lapses at the
23 close of the prior fiscal year. This report shall summarize the
24 projected year-end general fund/general purpose appropriation
25 lapses by major departmental program or program areas. The report
26 shall be transmitted to the chairpersons of the senate and house
27 appropriations committees, and the senate and house fiscal



1 agencies.

2 Sec. 288. (1) Beginning October 1 of the current fiscal year,
3 no less than 90% of a new department contract supported solely from
4 state restricted funds or general fund/general purpose funds and
5 designated in this part or part 1 for a specific entity for the
6 purpose of providing services to individuals shall be expended for
7 such services after the first year of the contract.

8 (2) The department may allow a contract to exceed the
9 limitation on administrative and services costs if it can be
10 demonstrated that an exception should be made to the provision in
11 subsection (1).

12 (3) By September 30 of the current fiscal year, the department
13 shall report to the house and senate appropriations subcommittees
14 on community health, house and senate fiscal agencies, and state
15 budget office on the rationale for all exceptions made to the
16 provision in subsection (1) and the number of contracts terminated
17 due to violations of subsection (1).

18 Sec. 290. By the first day of each month of the current fiscal
19 year, the department shall report on the status of the merger,
20 executed under Executive Order No. 2015-4, of the department of
21 community health and the department of human services to create the
22 department of health and human services. The department shall
23 provide the report to the house and senate appropriations
24 subcommittees on community health, the house and senate
25 appropriations subcommittees on human services, and the house and
26 senate fiscal agencies. The report must include, but not be limited
27 to, the current status of FTE positions, facilities in use,



1 services including restructuring or consolidation, efficiencies,
2 and estimated savings or costs associated with the merger. The
3 report must indicate changes from the prior report.

4 Sec. 292. The department shall cooperate with the department
5 of technology, management, and budget to maintain a searchable
6 website accessible by the public at no cost that includes, but is
7 not limited to, all of the following for each department or agency:

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

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

10 (c) Fiscal year-to-date payments to a selected vendor,
11 including the vendor name, payment date, payment amount, and
12 payment description.

13 (d) The number of active department employees by job
14 classification.

15 (e) Job specifications and wage rates.

16 Sec. 296. Within 14 days after the release of the executive
17 budget recommendation, the department shall cooperate with the
18 state budget office to provide the senate and house appropriations
19 chairs, the senate and house appropriations subcommittees chairs,
20 and the senate and house fiscal agencies with an annual report on
21 estimated state restricted fund balances, state restricted fund
22 projected revenues, and state restricted fund expenditures for the
23 fiscal years ending September 30, 2015 and September 30, 2016.

24 Sec. 297. Total authorized appropriations from all sources
25 under part 1 for legacy costs for the fiscal year ending September
26 30, 2016 are \$87,425,100.00. From this amount, total agency
27 appropriations for pension-related legacy costs are estimated at



1 \$49,623,700.00. Total agency appropriations for retiree health care
2 legacy costs are estimated at \$37,801,400.00.

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

7 Sec. 299. No state department or agency shall issue a request
8 for proposal (RFP) for a contract in excess of \$5,000,000.00,
9 unless the department or agency has first considered issuing a
10 request for information (RFI) or a request for qualification (RFQ)
11 relative to that contract to better enable the department or agency
12 to learn more about the market for the products or services that
13 are the subject of the RFP. The department or agency shall notify
14 the department of technology, management, and budget of the
15 evaluation process used to determine if an RFI or RFQ was not
16 necessary prior to issuing the RFP.

17 **BEHAVIORAL HEALTH SERVICES**

18 Sec. 401. Funds appropriated in part 1 are intended to support
19 a system of comprehensive community mental health services under
20 the full authority and responsibility of local CMHSPs or PIHPs in
21 accordance with the mental health code, 1974 PA 258, MCL 330.1001
22 to 330.2106, the Medicaid provider manual, federal Medicaid
23 waivers, and all other applicable federal and state laws.

24 Sec. 402. (1) From funds appropriated in part 1, final
25 authorizations to CMHSPs or PIHPs shall be made upon the execution
26 of contracts between the department and CMHSPs or PIHPs. The



1 contracts shall contain an approved plan and budget as well as
2 policies and procedures governing the obligations and
3 responsibilities of both parties to the contracts. Each contract
4 with a CMHSP or PIHP that the department is authorized to enter
5 into under this subsection shall include a provision that the
6 contract is not valid unless the total dollar obligation for all of
7 the contracts between the department and the CMHSPs or PIHPs
8 entered into under this subsection for the current fiscal year does
9 not exceed the amount of money appropriated in part 1 for the
10 contracts authorized under this subsection.

11 (2) The department shall immediately report to the senate and
12 house appropriations subcommittees on community health, the senate
13 and house fiscal agencies, and the state budget director if either
14 of the following occurs:

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

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

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

22 Sec. 403. (1) From the funds appropriated in part 1 for mental
23 health services for special populations, the department may require
24 each contractor to provide data and information on performance-
25 related metrics. These metrics may include, but are not limited to,
26 all of the following:

27 (a) Each contractor or subcontractor shall have a mission that



1 is consistent with the purpose of multicultural integration
2 funding.

3 (b) Each contractor shall validate that any subcontractors
4 utilized within these appropriations share the same mission as the
5 lead agency receiving funding.

6 (c) Each contractor or subcontractor shall demonstrate cost-
7 effectiveness.

8 (d) Each contractor or subcontractor shall ensure its ability
9 to leverage private dollars to strengthen and maximize service
10 provision.

11 (e) Each contractor or subcontractor shall provide timely and
12 accurate reports regarding the number of clients served, units of
13 service provision, and ability to meet its stated goals.

14 (2) The department shall require an annual report from the
15 contractors that receive mental health services for special
16 populations funding. The annual report, due 60 days following the
17 end of the contract period, shall include specific information on
18 services and programs provided, the client base to which the
19 services and programs were provided, information on any wraparound
20 services provided, and the expenditures for those services. The
21 department shall provide the annual reports to the senate and house
22 appropriations subcommittees on community health, the senate and
23 house fiscal agencies, and the state budget office.

24 (3) The department of human services and the department shall
25 convene a workgroup to discuss and make recommendations on
26 including accreditation in the contractor specifications and
27 potentially moving toward competitive bidding. Each contractor



1 required to provide data per this section shall be invited to
2 participate in the workgroup.

3 Sec. 404. (1) Not later than May 31 of the current fiscal
4 year, the department shall provide a report on the CMHSPs, PIHPs,
5 regional entities designated by the department as PIHPs, and
6 managing entities for substance use disorders to the members of the
7 house and senate appropriations subcommittees on community health,
8 the house and senate fiscal agencies, and the state budget director
9 that includes the information required by this section.

10 (2) The report shall contain information for each CMHSP, PIHP,
11 regional entity designated by the department as a PIHP, and
12 managing entity for substance use disorders and a statewide
13 summary, each of which shall include at least the following
14 information:

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

18 (b) Per capita expenditures by client population group and
19 cultural and ethnic groups of the services area, including the deaf
20 and hard of hearing population.

21 (c) Financial information that, minimally, includes a
22 description of funding authorized; expenditures by client group and
23 fund source; and cost information by Medicaid and Healthy Michigan
24 service category, including administration and funds specified for
25 all outside contracts for services and products. Financial
26 information must include the amount of funding, from each fund
27 source, used to cover services and supports. Service category



1 includes all department-approved services. General fund
2 expenditures should reflect those funds used to cover uninsured
3 individuals including Medicaid spenddowns.

4 (d) Data describing service outcomes that include, but are not
5 limited to, an evaluation of consumer satisfaction, consumer
6 choice, and quality of life concerns including, but not limited to,
7 housing and employment.

8 (e) Information about access to community mental health
9 services programs that includes, but is not limited to, the
10 following:

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

12 (ii) The number of people who requested services but did not
13 receive services.

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

16 (g) An analysis of information provided by CMHSPs in response
17 to the needs assessment requirements of the mental health code,
18 1974 PA 258, MCL 330.1001 to 330.2106.

19 (h) Lapses and carryforwards during the immediately preceding
20 fiscal year for CMHSPs, PIHPs, regional entities designated by the
21 department as PIHPs, and managing entities for substance use
22 disorders.

23 (i) Information about contracts for both administrative and
24 mental health services entered into by CMHSPs, PIHPs, regional
25 entities designated by the department as PIHPs, and managing
26 entities for substance use disorders with providers and others,
27 including, but not limited to, all of the following:



1 (i) The amount of the contract, organized by type of service
2 provided.

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

4 (iii) Administrative costs, including contract and consultant
5 costs, for services provided to CMHSPs, PIHPs, regional entities
6 designated by the department as PIHPs, and managing entities for
7 substance use disorders.

8 (j) Information on the community mental health Medicaid
9 managed care and Healthy Michigan programs, including, but not
10 limited to, the following:

11 (i) Expenditures by each CMHSP, PIHP, regional entity
12 designated by the department as a PIHP, and managing entity for
13 substance use disorders organized by Medicaid eligibility group,
14 including per eligible individual expenditure averages.

15 (ii) Expenditures on, and utilization of, each Medicaid and
16 Healthy Michigan plan service category by each CMHSP, PIHP,
17 regional entity designated by the department as a PIHP, and
18 managing entity for substance use disorders.

19 (iii) Performance indicator information required to be
20 submitted to the department in the contracts with CMHSPs, PIHPs,
21 regional entities designated by the department as PIHPs, and
22 managing entities for substance use disorders.

23 (k) An estimate of the number of direct care workers, and the
24 average rate of pay for those direct care workers, providing
25 services in local residential settings and the number of
26 paraprofessional and other nonprofessional direct care workers, and
27 the average rate of pay for those paraprofessional and



1 nonprofessional direct care workers, providing services in settings
2 where skill building, community living supports and training, and
3 personal care services are provided by CMHSPs, PIHPs, regional
4 entities designated by the department as PIHPs, and managing
5 entities for substance use disorders as of September 30 of the
6 prior fiscal year employed directly or through contracts with
7 provider organizations.

8 (l) Administrative expenditures of each CMHSP, PIHP, regional
9 entity designated by the department as a PIHP, and managing entity
10 for substance use disorders that includes a breakout of the salary,
11 benefits, and pension of each executive level staff and shall
12 include the director, chief executive, and chief operating officers
13 and other members identified as executive staff.

14 (3) The department shall include data reporting requirements
15 listed in subsection (2) in the annual contract with each
16 individual CMHSP, PIHP, regional entity designated by the
17 department as a PIHP, and managing entity for substance use
18 disorders.

19 (4) The department shall take all reasonable actions to ensure
20 that the data required are complete and consistent among all
21 CMHSPs, PIHPs, regional entities designated by the department as
22 PIHPs, and managing entities for substance use disorders.

23 Sec. 406. (1) The funds appropriated in part 1 for the state
24 disability assistance substance use disorder services program shall
25 be used to support per diem room and board payments in substance
26 use disorder residential facilities. Eligibility of clients for the
27 state disability assistance substance use disorder services program



1 shall include needy persons 18 years of age or older, or
2 emancipated minors, who reside in a substance use disorder
3 treatment center.

4 (2) The department shall reimburse all licensed substance use
5 disorder programs eligible to participate in the program at a rate
6 equivalent to that paid by the department of human services to
7 adult foster care providers. Programs accredited by department-
8 approved accrediting organizations shall be reimbursed at the
9 personal care rate, while all other eligible programs shall be
10 reimbursed at the domiciliary care rate.

11 Sec. 407. (1) The amount appropriated in part 1 for substance
12 use disorder prevention, education, and treatment grants shall be
13 expended to coordinate care and services provided to individuals
14 with severe and persistent mental illness and substance use
15 disorder diagnoses.

16 (2) The department shall approve managing entity fee schedules
17 for providing substance use disorder services and charge
18 participants in accordance with their ability to pay.

19 (3) The managing entity shall continue current efforts to
20 collaborate on the delivery of services to those clients with
21 mental illness and substance use disorder diagnoses with the goal
22 of providing services in an administratively efficient manner.

23 Sec. 408. (1) By April 1 of the current fiscal year, the
24 department shall report the following data from the prior fiscal
25 year on substance use disorder prevention, education, and treatment
26 programs to the senate and house appropriations subcommittees on
27 community health, the senate and house fiscal agencies, and the



1 state budget office:

2 (a) Expenditures stratified by department-designated community
3 mental health entity, by central diagnosis and referral agency, by
4 fund source, by subcontractor, by population served, and by service
5 type. Additionally, data on administrative expenditures by
6 department-designated community mental health entity shall be
7 reported.

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

10 (c) Number of services provided by central diagnosis and
11 referral agency, by subcontractor, and by service type.
12 Additionally, data on length of stay, referral source, and
13 participation in other state programs.

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

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

21 Sec. 410. The department shall assure that substance use
22 disorder treatment is provided to applicants and recipients of
23 public assistance through the department of human services who are
24 required to obtain substance use disorder treatment as a condition
25 of eligibility for public assistance.

26 Sec. 411. (1) The department shall ensure that each contract
27 with a CMHSP or PIHP requires the CMHSP or PIHP to implement



1 programs to encourage diversion of individuals with serious mental
2 illness, serious emotional disturbance, or developmental disability
3 from possible jail incarceration when appropriate.

4 (2) Each CMHSP or PIHP shall have jail diversion services and
5 shall work toward establishing working relationships with
6 representative staff of local law enforcement agencies, including
7 county prosecutors' offices, county sheriffs' offices, county
8 jails, municipal police agencies, municipal detention facilities,
9 and the courts. Written interagency agreements describing what
10 services each participating agency is prepared to commit to the
11 local jail diversion effort and the procedures to be used by local
12 law enforcement agencies to access mental health jail diversion
13 services are strongly encouraged.

14 Sec. 418. On or before the twenty-fifth of each month, the
15 department shall report to the senate and house appropriations
16 subcommittees on community health, the senate and house fiscal
17 agencies, and the state budget director on the amount of funding
18 paid to PIHPs to support the Medicaid managed mental health care
19 program in the preceding month. The information shall include the
20 total paid to each PIHP, per capita rate paid for each eligibility
21 group for each PIHP, and number of cases in each eligibility group
22 for each PIHP, and year-to-date summary of eligibles and
23 expenditures for the Medicaid managed mental health care program.

24 Sec. 424. Each PIHP that contracts with the department to
25 provide services to the Medicaid population shall adhere to the
26 following timely claims processing and payment procedure for claims
27 submitted by health professionals and facilities:



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

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

9 (c) A health professional and a health facility have 30 days
10 after receipt of a notice that a claim or a portion of a claim is
11 defective within which to correct the defect. The PIHP shall pay
12 the claim within 30 days after the defect is corrected.

13 Sec. 428. Each PIHP shall provide, from internal resources,
14 local funds to be used as a bona fide part of the state match
15 required under the Medicaid program in order to increase capitation
16 rates for PIHPs. These funds shall not include either state funds
17 received by a CMHSP for services provided to non-Medicaid
18 recipients or the state matching portion of the Medicaid capitation
19 payments made to a PIHP.

20 Sec. 435. A county required under the provisions of the mental
21 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
22 matching funds to a CMHSP for mental health services rendered to
23 residents in its jurisdiction shall pay the matching funds in equal
24 installments on not less than a quarterly basis throughout the
25 fiscal year, with the first payment being made by October 1 of the
26 current fiscal year.

27 Sec. 458. Medicaid services shall include treatment for autism



1 spectrum disorders as defined in the federally approved Medicaid
2 state plan. Such alternatives may be coordinated with the Medicaid
3 health plans and the Michigan Association of Health Plans.

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

11 (2) By June 1 of the current fiscal year, the department shall
12 report to the house and senate appropriations subcommittees on
13 community health, the house and senate fiscal agencies, and the
14 state budget office all of the following:

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

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

20 (i) The state program review and audit requirements that the
21 CMHSP, PIHP, or subcontracting provider agency is considered in
22 compliance with.

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

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



1 (4) As used in this section, "national accrediting entity"
2 means the Joint Commission, formerly known as the Joint Commission
3 on Accreditation of Healthcare Organizations, the Commission on
4 Accreditation of Rehabilitation Facilities, the Council on
5 Accreditation, the URAC, formerly known as the Utilization Review
6 Accreditation Commission, the National Committee for Quality
7 Assurance, or other appropriate entity, as approved by the
8 department.

9 Sec. 495. From the funds appropriated in part 1 for behavioral
10 health program administration, \$4,350,000.00 is intended to address
11 the recommendations of the mental health diversion council.

12 Sec. 497. The population data used in determining the
13 distribution of substance use disorder block grant funds shall be
14 from the most recent federal census.

15 Sec. 498. For distribution of state general funds to CMHSPs,
16 if the department decides to use census data, the department shall
17 use the most recent federal decennial census data available.

18 Sec. 502. (1) The department shall continue developing an
19 outreach program on fetal alcohol syndrome services.

20 (2) The department shall explore federal grant funding to
21 address prevention services for fetal alcohol syndrome and reduce
22 alcohol consumption among pregnant women.

23 Sec. 503. The department shall notify the Michigan association
24 of community mental health boards when developing policies and
25 procedures that will impact PIHPs or CMHSPs.

26 Sec. 504. (1) The department shall continue to work with the
27 workgroup created to make recommendations to achieve more



1 uniformity in capitation payments made to the PIHPs.

2 (2) The workgroup shall include but not be limited to
3 representatives of the department, PIHPs, and CMHSPs.

4 (3) The department shall provide the workgroup's
5 recommendations to the senate and house appropriations
6 subcommittees on community health, the senate and house fiscal
7 agencies, and the state budget director by March 1 of the current
8 fiscal year.

9 Sec. 505. For the purposes of special projects involving high-
10 need children or adults, including the not guilty by reason of
11 insanity population, the department may contract directly with
12 providers of services to these identified populations.

13 Sec. 506. No later than June 1 of the current fiscal year, the
14 department shall provide the house and senate appropriations
15 subcommittees on community health, the house and senate fiscal
16 agencies, and the state budget office with the most recent cost
17 data information submitted by the CMHSPs on how the funds
18 appropriated in part 1 for the community mental health services
19 non-Medicaid services line item were expended by each CMHSP. At a
20 minimum, the information must include CMHSPs general fund/general
21 purpose costs for each of the following categories: administration,
22 prevention, jail diversion and treatment services, MIChild program,
23 children's waiver home care program, children with serious
24 emotional disturbance waiver program, services provided to
25 individuals with mental illness and developmental disabilities who
26 are not eligible for Medicaid, and the Medicaid spenddown
27 population.



1 Sec. 507. (1) From the funds appropriated in part 1 for
2 behavioral health program administration, the department shall
3 establish a psychiatric residential treatment facility and
4 children's behavioral action team. These services will augment the
5 continuum of behavioral health services for high-need youth and
6 provide additional continuity of care and transition into
7 supportive community-based services.

8 (2) Outcomes and performance measures for this initiative
9 include, but are not limited to, the following:

10 (a) The rate of rehospitalization for youth served through the
11 program at 30 and 180 days.

12 (b) Measured change in the Child and Adolescent Functional
13 Assessment Scale for children served through the program.

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

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

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



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

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

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

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

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

25 Sec. 606. The department may collect revenue for patient
26 reimbursement from first- and third-party payers, including
27 Medicaid and local county CMHSP payers, to cover the cost of



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

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

14 **PUBLIC HEALTH ADMINISTRATION**

15 Sec. 651. The department shall work with the Michigan health
16 endowment fund corporation established pursuant to section 653 of
17 the nonprofit health care corporation reform act, 1980 PA 350, MCL
18 550.1653, to explore ways to expand health and wellness programs.

19 Sec. 654. From the funds appropriated in part 1 for health and
20 wellness initiatives, \$1,000,000.00 shall be allocated for a school
21 children's healthy exercise program to promote and advance physical
22 health for school children in kindergarten through grade 8. The
23 department shall recommend model programs for sites to implement
24 that incorporate evidence-based best practices. The department
25 shall grant no less than 1/2 of the funds appropriated in part 1
26 for before- and after-school programs. The department shall



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

15 **HEALTH POLICY**

16 Sec. 712. From the funds appropriated in part 1 for primary
17 care services, \$250,000.00 shall be allocated to free health
18 clinics operating in the state. The department shall distribute the
19 funds equally to each free health clinic. For the purpose of this
20 appropriation, "free health clinics" means nonprofit organizations
21 that use volunteer health professionals to provide care to
22 uninsured individuals.

23 Sec. 713. The department shall continue support of
24 multicultural agencies that provide primary care services from the
25 funds appropriated in part 1.

26 Sec. 715. The department shall continue to seek means to



1 increase retention of Michigan medical school students for
2 completion of their primary care residency requirements within this
3 state and ultimately, for some period of time, to remain in this
4 state and serve as primary care physicians. The department is
5 encouraged to work with Michigan institutions of higher education.

6 Sec. 717. The department may award health innovation grants to
7 address emerging issues and encourage cutting edge advances in
8 health care including strategic partners in both the public and
9 private sectors.

10 Sec. 718. (1) From the funds appropriated in part 1 for health
11 policy administration, the department shall allocate the federal
12 state innovation model grant funding that supports implementation
13 of the health delivery system innovations detailed in this state's
14 "Reinventing Michigan's Health Care System: Blueprint for Health
15 Innovation" document. Over the next 4 years this initiative will
16 test new payment methodologies, support improved population health
17 outcomes, and support improved infrastructure for technology and
18 data sharing and reporting. The funds will be used to provide
19 financial support directly to regions participating in the model
20 test and to support statewide stakeholder guidance and technical
21 support.

22 (2) Outcomes and performance measures for the initiative under
23 subsection (1) include, but are not limited to, the following:

24 (a) Increasing the number of physician practices fulfilling
25 patient-centered medical home functions.

26 (b) Reducing inappropriate health utilization, specifically
27 reducing preventable emergency department visits, reducing the



1 proportion of hospitalizations for ambulatory sensitive conditions,
2 and reducing this state's 30-day hospital readmission rate.

3 (3) By March 1 and September 1 of the current fiscal year, the
4 department shall submit a written report to the house and senate
5 appropriations subcommittees on community health, the house and
6 senate fiscal agencies, and the state budget office on the status
7 of the program and progress made since the prior report.

8 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

9 Sec. 851. From the funds appropriated in part 1 for the
10 healthy homes program, no less than \$1,750,000.00 shall be
11 allocated for lead abatement of homes.

12 Sec. 852. The department shall implement a plan designed to
13 improve Michigan's childhood and adolescent immunization rates. The
14 department shall engage organizations working to provide
15 immunizations and education about the value of vaccines, including,
16 but not limited to, statewide organizations representing health
17 care providers, local public health departments, child health
18 interest groups, and private foundations with a mission to increase
19 immunization rates.

20 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

21 Sec. 901. The amount appropriated in part 1 for implementation
22 of the 1993 additions of or amendments to sections 9161, 16221,
23 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
24 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
25 333.17515, shall be used to reimburse local health departments for



1 costs incurred related to implementation of section 17015(18) of
2 the public health code, 1978 PA 368, MCL 333.17015.

3 Sec. 902. If a county that has participated in a district
4 health department or an associated arrangement with other local
5 health departments takes action to cease to participate in such an
6 arrangement after October 1 of the current fiscal year, the
7 department shall have the authority to assess a penalty from the
8 local health department's operational accounts in an amount equal
9 to no more than 6.25% of the local health department's essential
10 local public health services funding. This penalty shall only be
11 assessed to the local county that requests the dissolution of the
12 health department.

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

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

26 (3) Distributions in subsection (1) shall be made only to
27 counties that maintain local spending in the current fiscal year of



1 at least the amount expended in fiscal year 1992-1993 for the
2 services described in subsection (1).

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

4 Sec. 1103. By January 3 of the current fiscal year the
5 department shall annually issue to the legislature, and to the
6 public on the Internet, a report providing estimated public funds
7 administered by the department for family planning, sexually
8 transmitted infection prevention and treatment, and pregnancies and
9 births, as well as demographics collected by the department as
10 voluntarily self-reported by individuals utilizing those services.
11 The department shall provide the actual expenditures by marital
12 status or, where actual expenditures are not available, shall
13 provide estimated expenditures by marital status. The department
14 may utilize the DCH-1426 application for health coverage and help
15 paying costs or any other official application for public
16 assistance for medical coverage to determine the actual or
17 estimated public expenditures based on marital status.

18 Sec. 1106. Each family planning program receiving federal
19 title X family planning funds under 42 USC 300 to 300a-8 shall be
20 in compliance with all performance and quality assurance indicators
21 that the office of population affairs within the United States
22 Department of Health and Human Services specifies in the program
23 guidelines for project grants for family planning services. An
24 agency not in compliance with the indicators shall not receive
25 supplemental or reallocated funds.

26 Sec. 1108. The department shall not use state restricted funds



1 or state general funds appropriated in part 1 in the pregnancy
2 prevention program or family planning local agreements
3 appropriation line items for abortion counseling, referrals, or
4 services.

5 Sec. 1109. (1) From the amounts appropriated in part 1 for
6 dental programs, funds shall be allocated to the Michigan Dental
7 Association for the administration of a volunteer dental program
8 that provides dental services to the uninsured.

9 (2) Not later than December 1 of the current fiscal year, the
10 department shall report to the senate and house appropriations
11 subcommittees on community health and the senate and house standing
12 committees on health policy the number of individual patients
13 treated, number of procedures performed, and approximate total
14 market value of those procedures from the immediately preceding
15 fiscal year.

16 Sec. 1136. From the funds appropriated in part 1 for prenatal
17 care outreach and service delivery support, \$50,000.00 shall be
18 allocated for a pregnancy and parenting support services program,
19 which program must promote childbirth, alternatives to abortion,
20 and grief counseling. The department shall establish a program with
21 a qualified contractor that will contract with qualified service
22 providers to provide free counseling, support, and referral
23 services to eligible women during pregnancy through 12 months after
24 birth. As appropriate, the goals for client outcomes shall include
25 an increase in client support, an increase in childbirth choice, an
26 increase in adoption knowledge, an improvement in parenting skills,
27 and improved reproductive health through abstinence education. The



1 contractor of the program shall provide for program training,
2 client educational material, program marketing, and annual service
3 provider site monitoring. The department shall submit a report to
4 the house and senate appropriations subcommittees on community
5 health and the house and senate fiscal agencies by April 1 of the
6 current fiscal year on the number of clients served.

7 Sec. 1137. From the funds appropriated in part 1 for prenatal
8 care outreach and service delivery support, not less than
9 \$500,000.00 of funding shall be allocated for evidence-based
10 programs to reduce infant mortality including nurse family
11 partnership programs. The funds shall be used for enhanced support
12 and education to nursing teams or other teams of qualified health
13 professionals, client recruitment in areas designated as
14 underserved for obstetrical and gynecological services and other
15 high-need communities, strategic planning to expand and sustain
16 programs, and marketing and communications of programs to raise
17 awareness, engage stakeholders, and recruit nurses.

18 Sec. 1138. The department shall allocate funds appropriated in
19 section 112 of part 1 for family, maternal, and children's health
20 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

21 Sec. 1139. The department shall continue to work jointly with
22 the department of human services, the Michigan state housing
23 development authority, and the joint task force established under
24 article IV of 2014 PA 252 to review housing rehabilitation, energy
25 and weatherization, and hazard abatement program policies and to
26 make recommendations for integrating and coordinating project
27 delivery with the goals of serving more families and achieving



1 better outcomes by maximizing state and federal resources. The
2 joint task force may provide recommendations to the departments.
3 Recommendations of the joint task force must give consideration to
4 best practices and cost effectiveness.

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

6 Sec. 1151. For the women, infants, and children special
7 supplemental food and nutrition program, the department shall make
8 national brand products available if it is determined by the
9 department that the price per unit is more cost effective and
10 satisfies nutritional requirements of the federal program. The
11 determination must be made during the biannual food authorization
12 evaluation.

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

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

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

17 (b) Provide medical care and treatment to eligible patients
18 with cystic fibrosis who are 21 years of age or older.

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

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

23 Sec. 1205. From the funds appropriated in part 1 for medical
24 care and treatment, the department is authorized to spend those
25 funds for the continued development and expansion of telemedicine



1 capacity to allow families with children in the children's special
2 health care services program to access specialty providers more
3 readily and in a more timely manner.

4 **CRIME VICTIM SERVICES COMMISSION**

5 Sec. 1302. From the funds appropriated in part 1 for justice
6 assistance grants, the department shall continue to support
7 forensic nurse examiner programs to facilitate training for
8 improved evidence collection for the prosecution of sexual assault.
9 The funds shall be used for program coordination and training.

10 **OFFICE OF SERVICES TO THE AGING**

11 Sec. 1403. (1) By February 1 of the current fiscal year, the
12 office of services to the aging shall require each region to report
13 to the office of services to the aging and to the legislature home-
14 delivered meals waiting lists based upon standard criteria.
15 Determining criteria shall include all of the following:

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

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

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

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

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



1 Sec. 1417. The department shall provide to the senate and
2 house appropriations subcommittees on community health, senate and
3 house fiscal agencies, and state budget director a report by March
4 30 of the current fiscal year that contains all of the following:

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

7 (b) Detail expenditure by each area agency on aging by
8 individual program and administration including both state-funded
9 resources and locally-funded resources.

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

13 **MEDICAL SERVICES ADMINISTRATION**

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

20 (a) The purpose of the project to be carried forward is to
21 implement the Medicaid electronic health record program that
22 provides financial incentive payments to Medicaid health care
23 providers to encourage the adoption and meaningful use of
24 electronic health records to improve quality, increase efficiency,
25 and promote safety.

26 (b) The projects will be accomplished according to the



1 approved federal advanced planning document.

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

4 (d) The tentative completion date for the work project is
5 September 30, 2020.

6 Sec. 1503. From the funds appropriated in part 1 for Healthy
7 Michigan plan administration, the department shall maintain an
8 accounting structure within the Michigan administrative information
9 network that will allow expenditures associated with the
10 administration of the Healthy Michigan plan to be identified.

11 MEDICAL SERVICES

12 Sec. 1601. The cost of remedial services incurred by residents
13 of licensed adult foster care homes and licensed homes for the aged
14 shall be used in determining financial eligibility for the
15 medically needy. Remedial services include basic self-care and
16 rehabilitation training for a resident.

17 Sec. 1603. (1) The department may establish a program for
18 individuals to purchase medical coverage at a rate determined by
19 the department.

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

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

25 Sec. 1605. The protected income level for Medicaid coverage
26 determined pursuant to section 106(1)(b)(iii) of the social welfare



1 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
2 assistance standard.

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

7 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
8 condition is pregnancy, shall immediately be presumed to be
9 eligible for Medicaid coverage unless the preponderance of evidence
10 in her application indicates otherwise. The applicant who is
11 qualified as described in this subsection shall be allowed to
12 select or remain with the Medicaid participating obstetrician of
13 her choice.

14 (2) An applicant qualified as described in subsection (1)
15 shall be given a letter of authorization to receive Medicaid
16 covered services related to her pregnancy. All qualifying
17 applicants shall be entitled to receive all medically necessary
18 obstetrical and prenatal care without preauthorization from a
19 health plan. All claims submitted for payment for obstetrical and
20 prenatal care shall be paid at the Medicaid fee-for-service rate in
21 the event a contract does not exist between the Medicaid
22 participating obstetrical or prenatal care provider and the managed
23 care plan. The applicant shall receive a listing of Medicaid
24 physicians and managed care plans in the immediate vicinity of the
25 applicant's residence.

26 (3) In the event that an applicant, presumed to be eligible
27 pursuant to subsection (1), is subsequently found to be ineligible,



1 a Medicaid physician or managed care plan that has been providing
2 pregnancy services to an applicant under this section is entitled
3 to reimbursement for those services until such time as they are
4 notified by the department that the applicant was found to be
5 ineligible for Medicaid.

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

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

14 (6) The department shall mandate enrollment of women, whose
15 qualifying condition is pregnancy, into Medicaid managed care
16 plans.

17 (7) The department shall encourage physicians to provide
18 women, whose qualifying condition for Medicaid is pregnancy, with a
19 referral to a Medicaid participating dentist at the first
20 pregnancy-related appointment.

21 Sec. 1611. (1) For care provided to medical services
22 recipients with other third-party sources of payment, medical
23 services reimbursement shall not exceed, in combination with such
24 other resources, including Medicare, those amounts established for
25 medical services-only patients. The medical services payment rate
26 shall be accepted as payment in full. Other than an approved
27 medical services co-payment, no portion of a provider's charge



1 shall be billed to the recipient or any person acting on behalf of
2 the recipient. Nothing in this section shall be considered to
3 affect the level of payment from a third-party source other than
4 the medical services program. The department shall require a
5 nonenrolled provider to accept medical services payments as payment
6 in full.

7 (2) Notwithstanding subsection (1), medical services
8 reimbursement for hospital services provided to dual
9 Medicare/medical services recipients with Medicare part B coverage
10 only shall equal, when combined with payments for Medicare and
11 other third-party resources, if any, those amounts established for
12 medical services-only patients, including capital payments.

13 Sec. 1620. (1) For fee-for-service recipients who do not
14 reside in nursing homes, the pharmaceutical dispensing fee shall be
15 \$2.75 or the pharmacy's usual or customary cash charge, whichever
16 is less. For nursing home residents, the pharmaceutical dispensing
17 fee shall be \$3.00 or the pharmacy's usual or customary cash
18 charge, whichever is less.

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

23 Sec. 1625. The department and the contracted Medicaid health
24 plans shall work together to successfully achieve the
25 pharmaceutical formulary savings in part 1 through a mutually
26 agreed upon developmental and implementation process. By March 1 of
27 the current fiscal year, the department shall provide a report on



1 the progress of the implementation to the house and senate
2 appropriations subcommittees on community health and the house and
3 senate fiscal agencies.

4 Sec. 1629. The department shall utilize maximum allowable cost
5 pricing for generic drugs that is based on wholesaler pricing to
6 providers that is available from at least 2 wholesalers who deliver
7 in this state.

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

12 (2) Except as otherwise prohibited by federal or state law or
13 regulations, the department shall require Medicaid recipients to
14 pay not less than the following co-payments:

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

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

17 (c) Fifty dollars for the first day of an inpatient hospital
18 stay.

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

20 Sec. 1641. An institutional provider that is required to
21 submit a cost report under the medical services program shall
22 submit cost reports completed in full within 5 months after the end
23 of its fiscal year.

24 Sec. 1657. (1) Reimbursement for medical services to screen
25 and stabilize a Medicaid recipient, including stabilization of a
26 psychiatric crisis, in a hospital emergency room shall not be made
27 contingent on obtaining prior authorization from the recipient's



1 HMO. If the recipient is discharged from the emergency room, the
2 hospital shall notify the recipient's HMO within 24 hours of the
3 diagnosis and treatment received.

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

8 (3) Subsections (1) and (2) do not require an alteration to an
9 existing agreement between an HMO and its contracting hospitals and
10 do not require an HMO to reimburse for services that are not
11 considered to be medically necessary.

12 Sec. 1659. The following sections of this part are the only
13 ones that shall apply to the following Medicaid managed care
14 programs, including the comprehensive plan, MIChoice long-term care
15 plan, and the mental health, substance use disorder, and
16 developmentally disabled services program: 404, 411, 418, 428, 494,
17 1607, 1625, 1657, 1662, 1699, 1764, 1820, 1881, and 1888.

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

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

27 (3) The department shall provide a copy of the analysis of the



1 Medicaid HMO annual audited HEDIS reports and the annual external
2 quality review report to the senate and house of representatives
3 appropriations subcommittees on community health, the senate and
4 house fiscal agencies, and the state budget director, within 30
5 days of the department's receipt of the final reports from the
6 contractors.

7 Sec. 1670. (1) The appropriation in part 1 for the MIChild
8 program is to be used to provide comprehensive health care to all
9 children under age 19 who reside in families with income at or
10 below 212% of the federal poverty level, who are uninsured and have
11 not had coverage by other comprehensive health insurance within 6
12 months of making application for MIChild benefits, and who are
13 residents of this state. The department shall develop detailed
14 eligibility criteria through the medical services administration
15 public concurrence process, consistent with the provisions of this
16 part and part 1.

17 (2) The department may provide up to 1 year of continuous
18 eligibility to children eligible for the MIChild program unless the
19 family fails to pay the monthly premium, a child reaches age 19, or
20 the status of the children's family changes and its members no
21 longer meet the eligibility criteria as specified in the federally
22 approved MIChild state plan.

23 (3) Children whose category of eligibility changes between the
24 Medicaid and MIChild programs shall be assured of keeping their
25 current health care providers through the current prescribed course
26 of treatment for up to 1 year, subject to periodic reviews by the
27 department if the beneficiary has a serious medical condition and



1 is undergoing active treatment for that condition.

2 (4) To be eligible for the MIChild program, a child must be
3 residing in a family with an adjusted gross income of less than or
4 equal to 212% of the federal poverty level. The department's
5 verification policy shall be used to determine eligibility.

6 (5) The department shall contract with Medicaid health plans
7 to provide physical health services to MIChild enrollees. The
8 department may continue to obtain physical health services for
9 MIChild enrollees from health maintenance organizations and
10 preferred provider organizations currently under contract for
11 whatever duration is needed as determined by the department. The
12 department shall contractually require that health plans pay out-
13 of-network providers at the department fee schedule. The department
14 shall contract with qualified dental plans to provide dental
15 coverage for MIChild enrollees.

16 (6) The department may enter into contracts to obtain certain
17 MIChild services from community mental health service programs.

18 (7) The department may make payments on behalf of children
19 enrolled in the MIChild program from the line-item appropriation
20 associated with the program as described in the MIChild state plan
21 approved by the United States Department of Health and Human
22 Services, or from other medical services.

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



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

3 (10) MICHild services shall include treatment for autism
4 spectrum disorders as defined in the federally approved Medicaid
5 state plan.

6 Sec. 1673. The department may establish premiums for MICHild
7 eligible individuals in families with income at or below 212% of
8 the federal poverty level. The monthly premiums shall be \$10.00 per
9 month.

10 Sec. 1677. The MICHild program shall provide, at a minimum,
11 all benefits available under the Michigan benchmark plan that are
12 delivered through contracted providers and consistent with federal
13 law, including, but not limited to, the following medically
14 necessary services:

15 (a) Inpatient mental health services, other than substance use
16 disorder treatment services, including services furnished in a
17 state-operated mental hospital and residential or other 24-hour
18 therapeutically planned structured services.

19 (b) Outpatient mental health services, other than substance
20 use disorder services, including services furnished in a state-
21 operated mental hospital and community-based services.

22 (c) Durable medical equipment and prosthetic and orthotic
23 devices.

24 (d) Dental services as outlined in the approved MICHild state
25 plan.

26 (e) Substance use disorder treatment services that may include
27 inpatient, outpatient, and residential substance use disorder



1 treatment services.

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

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

5 (h) Emergency ambulance services.

6 Sec. 1682. (1) In addition to the appropriations in part 1,
7 the department is authorized to receive and spend penalty money
8 received as the result of noncompliance with medical services
9 certification regulations. Penalty money, characterized as private
10 funds, received by the department shall increase authorizations and
11 allotments in the long-term care accounts.

12 (2) Any unexpended penalty money, at the end of the year,
13 shall carry forward to the following year.

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

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

26 (a) Finance activities within the medical services
27 administration related to this project.



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

4 (c) Offset general fund costs associated with the medical
5 services program.

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

12 Sec. 1694. From the funds appropriated in part 1 for special
13 Medicaid reimbursement, \$386,700.00 of general fund/general purpose
14 revenue and any associated federal match shall be distributed for
15 poison control services to an academic health care system that
16 includes a children's hospital that has a high indigent care
17 volume.

18 Sec. 1699. (1) The department shall allocate \$45,000,000.00 in
19 DSH funding using the distribution methodology used in fiscal year
20 2003-2004.

21 (2) By September 30 of the current fiscal year, the department
22 shall report to the senate and house appropriations subcommittees
23 on community health, the senate and house fiscal agencies, and the
24 state budget office on the distribution of funding to each eligible
25 hospital.

26 Sec. 1724. The department shall allow licensed pharmacies to
27 purchase injectable drugs for the treatment of respiratory



1 syncytial virus for shipment to physicians' offices to be
2 administered to specific patients. If the affected patients are
3 Medicaid eligible, the department shall reimburse pharmacies for
4 the dispensing of the injectable drugs and reimburse physicians for
5 the administration of the injectable drugs.

6 Sec. 1730. The department shall work with the department of
7 education to evaluate the feasibility of including an assessment
8 tool to promote literacy development of pregnant women and new
9 mothers in the maternal infant health program.

10 Sec. 1735. The department shall work with ambulance providers
11 to explore the feasibility of implementing a quality assurance
12 assessment for ambulance providers.

13 Sec. 1757. The department shall direct the department of human
14 services to obtain proof from all Medicaid recipients that they are
15 legal United States citizens or otherwise legally residing in this
16 country and that they are residents of this state before approving
17 Medicaid eligibility.

18 Sec. 1764. The department shall provide a copy of the rate
19 certification and approval of rates paid to Medicaid health plans
20 and specialty prepaid inpatient health plans within 5 business days
21 after certification or approval to the house and senate
22 appropriations subcommittees on community health and the house and
23 senate fiscal agencies.

24 Sec. 1775. (1) By March 1 and September 1 of the current
25 fiscal year, the department shall report to the senate and house
26 appropriations subcommittees on community health, the senate and
27 house fiscal agencies, and the state budget office on progress in



1 implementing the waiver to implement managed care for individuals
2 who are eligible for both Medicare and Medicaid, known as MI Health
3 Link, including, but not limited to, a description of how the
4 department intends to ensure that service delivery is integrated,
5 how key components of the proposal are implemented effectively, and
6 any problems and potential solutions as identified by the ombudsman
7 described in subsection (2).

8 (2) The department shall ensure the existence of an ombudsman
9 program that is not associated with any project service manager or
10 provider to assist MI Health Link beneficiaries with navigating
11 complaint and dispute resolution mechanisms and to identify
12 problems in the demonstrations and in the complaint and dispute
13 resolution mechanisms.

14 Sec. 1800. The department shall distribute the \$85,000,000.00
15 Medicaid value disproportionate share hospital payment pool based
16 on metrics utilized to determine value.

17 Sec. 1801. From the funds appropriated in part 1 for physician
18 services and health plan services, the department shall use
19 \$33,318,800.00 in general fund/general purpose plus associated
20 federal match to continue the increase to Medicaid rates for
21 primary care services provided only by primary care providers. For
22 the purpose of this section, a primary care provider is a
23 physician, or a practitioner working under the personal supervision
24 of a physician, who is board-eligible or certified with a specialty
25 designation of family medicine, general internal medicine, or
26 pediatric medicine, or a provider who provides the department with
27 documentation of equivalency. Providers performing a service and



1 whose primary practice is as a non-primary-care subspecialty is not
2 eligible for the increase. The department shall establish policies
3 that most effectively limit the increase to primary care providers
4 for primary care services only.

5 Sec. 1802. From the funds appropriated in part 1, a lump-sum
6 payment shall be made to hospitals that qualified for rural
7 hospital access payments in fiscal year 2013-2014 and that provide
8 obstetrical care in the current fiscal year. The payment shall be
9 calculated as \$830.00 for each obstetrical care case payment and
10 each newborn care case payment for all such cases billed by the
11 qualified hospitals for fiscal year 2012-2013 and shall be paid
12 through the Medicaid health plan hospital rate adjustment process
13 by January 1 of the current fiscal year.

14 Sec. 1804. The department, in cooperation with the department
15 of human services and the department of military and veterans
16 affairs, shall work with the federal public assistance reporting
17 information system to identify Medicaid recipients who are veterans
18 and who may be eligible for federal veterans health care benefits
19 or other benefits.

20 Sec. 1820. (1) In order to avoid duplication of efforts, the
21 department shall utilize applicable national accreditation review
22 criteria to determine compliance with corresponding state
23 requirements for Medicaid health plans that have been reviewed and
24 accredited by a national accrediting entity for health care
25 services.

26 (2) The department shall continue to comply with state and
27 federal law and shall not initiate an action that negatively



1 impacts beneficiary safety.

2 (3) As used in this section, "national accrediting entity"
3 means the National Committee for Quality Assurance, the URAC,
4 formerly known as the Utilization Review Accreditation Commission,
5 or other appropriate entity, as approved by the department.

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

11 Sec. 1837. The department shall continue, and expand where
12 appropriate, utilization of telemedicine and telepsychiatry as
13 strategies to increase access to services for Medicaid recipients
14 in medically underserved areas.

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

22 (2) As used in this section, "qualifying hospital" means a
23 hospital that has not more than 50 staffed beds and is either
24 located outside a metropolitan statistical area or in a
25 metropolitan statistical area but within a city, village, or
26 township with a population of not more than 12,000 according to the
27 official 2010 federal decennial census and within a county with a



1 population of not more than 165,000 according to the official 2010
2 federal decennial census.

3 Sec. 1846. From the funds appropriated in part 1 for graduate
4 medical education, the department shall distribute the funds with
5 an emphasis on the following health care workforce goals:

6 (a) The encouragement of the training of physicians in
7 specialties, including primary care, that are necessary to meet the
8 future needs of residents of this state.

9 (b) The training of physicians in settings that include
10 ambulatory sites and rural locations.

11 Sec. 1861. The department shall encourage cooperation between
12 the Medicaid managed care health plans and the nonprofit entities
13 providing nonemergency transportation services to pilot a
14 nonemergency transportation system in at least 2 counties with
15 priority given to Berrien and Muskegon Counties.

16 Sec. 1862. From the funds appropriated in part 1, the
17 department shall maintain payment rates for Medicaid obstetrical
18 services at 95% of Medicare levels effective October 1, 2014.

19 Sec. 1866. (1) From the funds appropriated in part 1 for
20 hospital services and therapy, \$10,000,000.00 in general
21 fund/general purpose revenue and any associated federal match shall
22 be awarded to hospitals that meet criteria established by the
23 department for services to low-income rural residents. One of the
24 reimbursement components of the distribution formula shall be
25 assistance with labor and delivery services.

26 (2) No hospital or hospital system shall receive more than
27 10.0% of the total funding referenced in subsection (1).



1 (3) To allow hospitals to understand their rural payment
2 amounts under this section, the department shall provide hospitals
3 with the methodology for distribution under this section and
4 provide each hospital with its applicable data that are used to
5 determine the payment amounts by August 1 of the current fiscal
6 year. The department shall publish the distribution of payments for
7 the current fiscal year and the immediately preceding fiscal year.

8 (4) The department shall report to the senate and house
9 appropriations subcommittees on community health and the senate and
10 house fiscal agencies on the distribution of funds referenced in
11 subsection (1) by April 1 of the current fiscal year.

12 Sec. 1870. It is the intent of the legislature that the
13 department work in collaboration with Michigan-based medical
14 schools that choose to participate in the creation of a graduate
15 medical education consortium known as MIDocs. The purpose of MIDocs
16 is to develop freestanding residency training programs in primary
17 care and other ambulatory care-based specialties. MIDocs shall
18 design residency training programs to address physician shortage
19 needs in this state, including placing physicians post-residency in
20 underserved communities across this state. MIDocs shall give
21 special consideration to small and rural hospitals with a GME
22 program director. MIDocs' voting members will include any Michigan-
23 based university with a medical school or an affiliated faculty
24 practice physician group that is making a substantial contribution
25 to MIDocs programs. The department shall be a permanent nonvoting
26 member of MIDocs. The department, in collaboration with MIDocs
27 voting members, may also appoint nonvoting members to MIDocs to



1 represent various stakeholders. As the sponsoring institution and
2 fiduciary, MIDocs shall assure initial and continued accreditation
3 from the accreditation council for graduate medical education or
4 ACGME, financial accountability, clinical quality, and compliance.
5 The department shall require an annual report from MIDocs detailing
6 per resident costs for medical training and clinical quality
7 measures. The department shall create MIDocs no later than January
8 10, 2015. MIDocs shall provide the department with a report
9 proposing the creation of new residency programs and an actionable
10 plan for retaining consortium related students post-residency,
11 especially in underserved communities.

12 Sec. 1881. The department shall create a default eligibility
13 and enrollment determination for newborns so that newborns are
14 assigned to the same Medicaid health plan as the mother at the time
15 of birth.

16 Sec. 1886. The department shall continue to work in
17 conjunction with the workgroup established by the department of
18 human services to determine how the state can maximize federal
19 revenues for community-based and outpatient treatment services to
20 foster care children and adjudicated youths who are placed in
21 community-based treatment programs. The department shall report to
22 the senate and house appropriations subcommittees on community
23 health, the senate and house fiscal agencies, the senate and house
24 policy offices, and the state budget office by March 1 of the
25 current fiscal year on the progress in implementing the
26 recommendations of the workgroup.

27 Sec. 1888. The department shall establish contract performance



1 standards associated with the capitation withhold provisions for
2 Medicaid health plans at least 3 months in advance of the
3 implementation of those standards. The determination of whether
4 performance standards have been met shall be based primarily on
5 recognized concepts such as 1-year continuous enrollment and the
6 healthcare effectiveness data and information set, HEDIS, audited
7 data.

8 Sec. 1890. From the funds appropriated in part 1 for
9 pharmaceutical services, the department shall ensure Medicaid
10 recipients access to breast pumps to support and encourage
11 breastfeeding. The department shall adjust Medicaid policy to, at a
12 minimum, provide an individual double electric style pump to a
13 breastfeeding mother when a physician prescribes such a device
14 based on diagnosis of mother or infant. If the distribution method
15 for pumps or other equipment is a department contract with durable
16 medical equipment providers, the department shall guarantee
17 providers stock and rent to Medicaid recipients without delay or
18 undue restriction.

19 Sec. 1894. (1) From the funds appropriated in part 1 for
20 dental services, the department shall expand the healthy kids
21 dental program to children who have not yet reached the age of 9 in
22 Kent, Oakland, and Wayne Counties. This program expansion will
23 improve access to necessary dental services for Medicaid-enrolled
24 children.

25 (2) Outcomes and performance measures for the initiative under
26 subsection (1) include, but are not limited to, the following:

27 (a) The number of Medicaid-enrolled children under the age of



1 9 in Kent, Oakland, and Wayne Counties who visited the dentist in
2 the prior year.

3 (b) The number of dentists in Kent, Oakland, and Wayne
4 Counties who will accept Medicaid payment for services to children.

5 (c) The change in dental utilization in Kent, Oakland, and
6 Wayne Counties, before and after implementation.

7 (3) It is the intent of the legislature that the healthy kids
8 dental program be expanded in the fiscal year ending September 30,
9 2017 to cover additional children in Kent, Oakland, and Wayne
10 Counties.

11 Sec. 1897. (1) From the funds appropriated in part 1, the
12 department shall take steps to identify the performance of the
13 Medicaid program on all diabetes-specific performance measures as
14 measured by the National Committee for Quality Assurance and the
15 URAC, formerly known as the Utilization Review Accreditation
16 Commission. These steps shall include:

17 (a) Reviewing Medicaid claims information and data to
18 determine the performance of the Medicaid program's fee for service
19 and managed care plans for diabetes-specific and diabetes-related
20 measures as assessed by the National Committee for Quality
21 assurance and the URAC over the past 5 years.

22 (b) Comparing the claims information and data to the national
23 averages for diabetes-specific and diabetes-related measures as
24 assessed by the National Committee for Quality Assurance and the
25 URAC over the past 5 years.

26 (c) Identifying areas of strength and deficiencies for these
27 measures specific to the Medicaid program.



1 (2) Upon request, the department shall make available a report
2 on steps taken and proposed to improve national committee for
3 quality assurance and utilization review accreditation commission
4 measure scores for all forms of diabetes within the Medicaid
5 program to the legislature.

6 Sec. 1899. From the funds appropriated in part 1 for personal
7 care services, the department shall maintain the 6% rate increase
8 for personal care services effective October 1, 2014.

9 **ONE-TIME BASIS ONLY APPROPRIATIONS**

10 Sec. 1902. (1) From the funds appropriated in part 1 for
11 university autism programs, the department shall allocate funds to
12 universities for programs to increase the number of applied
13 behavioral analysis therapists in this state.

14 (2) Outcomes and performance measures for this initiative
15 include the number of applied behavioral analysis therapists
16 trained by recipient universities.

17 Sec. 1906. (1) The department may initiate pay for success
18 pilot projects to identify and deliver services to improve outcomes
19 and lower costs for government services in this state. From the
20 funds appropriated in part 1 for pay for success contracts, the
21 department may initiate contracts with private and not-for-profit
22 vendors, selected through a competitive bid process, to implement
23 these pilot projects. Payments shall not be issued to funding
24 intermediaries or vendors until contractual performance measures
25 have been achieved and project savings have been confirmed by a
26 third-party evaluator, certified by the department, and approved by



1 the state budget director.

2 (2) Unexpended funds appropriated in part 1 for pay for
3 success contracts are designated as work project appropriations,
4 and any unencumbered or unallotted funds shall not lapse at the end
5 of the fiscal year and shall be available for expenditures for the
6 pay for success contracts under this section until the projects
7 have been completed. All of the following are in compliance with
8 section 451a of the management and budget act, 1984 PA 431, MCL
9 18.1451a:

10 (a) The purpose of the projects is to coordinate cost-saving
11 projects to the state with public-private partnerships.

12 (b) The projects will be carried out through contracts with
13 private and not-for-profit vendors.

14 (c) The estimated cost of this work project is \$100.00.

15 (d) The estimated work project completion date is September
16 30, 2020.

17 Sec. 1907. (1) From the funds appropriated in part 1 for drug
18 policy initiatives, the department shall develop and begin
19 implementation of a comprehensive plan that addresses the problem
20 of drug abuse.

21 (2) Outcomes and performance measures for the new initiative
22 under subsection (1) include, but are not limited to, the
23 following:

24 (a) A decrease in the number of residents of this state aged
25 12 and older who have experienced substance dependence or abuse in
26 the past year.

27 (b) A decrease in the number of residents of this state who



1 have engaged in the nonmedical use of pain relievers or engaged in
2 binge alcohol use.

3 (c) A decrease in the number of residents of this state who
4 suffered an overdose or death from the use of prescription drugs,
5 alcohol, or an illegal drug, such as heroin.

6 PART 2A
7 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
8 FOR FISCAL YEAR 2016-2017

9 **GENERAL SECTIONS**

10 Sec. 2001. It is the intent of the legislature to provide
11 appropriations for the fiscal year ending on September 30, 2017 for
12 the line items listed in part 1. The fiscal year 2016-2017
13 appropriations are anticipated to be the same as those for fiscal
14 year 2015-2016, except that the line items will be adjusted for
15 changes in caseload and related costs, federal fund match rates,
16 economic factors, and available revenue. These adjustments will be
17 determined after the January 2016 consensus revenue estimating
18 conference.

19 PART 2B
20 PROVISIONS CONCERNING APPROPRIATIONS
21 FOR FISCAL YEAR 2014-2015

22 **GENERAL SECTIONS**



1 Sec. 3001. Pursuant to section 30 of article IX of the state
2 constitution of 1963, total state spending from state resources
3 under part 1B for fiscal year 2014-2015 is \$0.00 and state spending
4 from state resources to be paid to local units of government for
5 fiscal year 2014-2015 is \$0.00.

6 Sec. 3002. The appropriations authorized under this part and
7 part 1B are subject to the management and budget act, 1984 PA 431,
8 MCL 18.1101 to 18.1594.

