



**FY 2009-10 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
Public Act No. 131 of 2009
And FY 2008-09 Supplemental Actions**

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**FY 2009-10 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
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This document is a technical legislative intent report of the enacted Department of Community Health Fiscal Year 2009-10 budget, detailing each appropriation line item change from the prior fiscal year budget. A brief summary of each boilerplate section in the act is included. Enacted supplemental appropriations for Fiscal Year 2008-09 are also included in this report: appropriation changes are detailed by line item at the end of each appropriation section, and boilerplate actions are found at the end of the report.

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DEPARTMENT OF COMMUNITY HEALTH OVERVIEW

The Department of Community Health (DCH) budget provides funding for Mental Health, Public Health, and Medical Services programs including Medicaid. Also included is funding for Health Policy, Regulation, and Professions, the Office of Services to the Aging, the Crime Victim Services Commission, Departmentwide Administration, and Information Technology. **Public Act 131 of 2009** is the appropriation act for the Department of Community Health that includes authorized funding for FY 2009-10 of \$13.1 billion, of which \$2.5 billion is from GF/GP revenues. Highlights of Public Act 131 and changes from the prior fiscal year follow.

1. Economic Adjustments

A funding adjustment of \$13,407,300 Gross (\$5,894,500 GF/GP) is included in the budget to fund a 1.0% salary and wage increase for non-bargaining and unionized employees and finance economic adjustments for defined benefit and contribution retirement, insurance, building occupancy, food, worker's compensation, gas, fuel, and utility costs for FY 2009-10.

2. Office of Long-Term Care Supports and Services

The budget recognizes savings of \$2,453,800 Gross (\$793,600 GF/GP) due to the abolishment of the Office of Long-Term Care Supports and Services, effective October 1, 2009, in accordance with Executive Order 2009-3. Functions of the Office are integrated within the Department of Community Health.

3. Actuarially Sound Capitation Payment Rates

Capitation payment rates for Health Plan Services and Medicaid Mental Health and Substance Abuse Services are respectively increased by 4.5%, and 4.0% (\$197,711,000 Gross, \$72,777,500 GF/GP) to ensure rates are actuarially sound in FY 2009-10.

4. Mental Health Court Pilot Programs

The budget eliminates \$1,126,900 Gross (all GF/GP) for nine mental health court pilot programs as federal Byrne Justice Assistance Grant revenue is available to fund these programs. The pilot programs include services such as psychiatric counseling, case management, vocational training, housing assistance program, adherence monitoring, and training court and law enforcement personnel.

5. Wage Increase for Direct Care Workers

The budget adds \$3,009,000 Gross (\$1,290,200 GF/GP) to annualize the cost of a 1.0% wage increase, effective February 1, 2009, for direct care workers in community mental health settings. (Sec. 405)

6. Community Mental Health (CMH) Non-Medicaid Services Reduction

The budget annualizes the Executive Order 2009-22 \$10 million GF/GP reduction for CMH Non-Medicaid Services which results in a \$40 million GF/GP reduction for this line item.

7. Hospital Rate Adjustor for Prepaid Inpatient Health Plans (PIHPs)

The budget adds \$30,000,000 Gross (\$0 GF/GP) to Medicaid Mental Health Services due to the establishment of hospital rate adjustor for PIHPs. As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services would be passed through PIHPs.

8. Mt. Pleasant Center Closure

Included in the budget is a net reduction of \$15,409,700 Gross (\$3,081,800 GF/GP) due to the closure of Mt. Pleasant Center for Persons with Developmental Disabilities on October 10, 2009. The reduction reflects the shifting of funds to Medicaid Mental Health Services and other closure-related adjustments.

9. Forensic Mental Health Services to Department Of Corrections (DOC)

The budget adds \$5,318,300 to the interdepartmental grant from the DOC to reflect the increased demand for DOC mental health services.

10. State Disability Assistance Program

Included in the budget is a reduction of \$266,700 Gross (all GF/GP) for the State Disability Assistance Program which provides per diem room and board payments for needy persons 18 years of age or older who reside in substance abuse residential facilities and do not qualify for Supplemental Security Income (SSI).

11. Community Substance Abuse Prevention, Education, and Treatment Programs

The budget includes a reduction of \$2,175,800 Gross for the Community Substance Abuse Prevention, Education and Treatment Programs line item which is offset by \$950,000 in carryforward substance abuse licensing and fine revenue.

12. Respite Services

The budget eliminates funding of \$1,000,000 Gross (all GF/GP) for respite care services for children with serious emotional disturbances and their families.

13. Vital Records - New Fraud Unit and Funding Grant

A vital records fraud unit is established using \$174,000 carryforward fee revenue, in response to audit deficiencies and federal Intelligence Reform and Terrorism Prevention Act provisions, and one-time federal funding of \$1.5 million is available to improve the interface between driver and birth records.

14. Primary Care Services

The budget allocates \$100,000 Gross (all GF/GP) for Beaver, Drummond, and Mackinac Island clinics.

15. Criminal Background Check Program

The budget partially replaces health systems fees and collections of \$3,173,900 and matching federal Medicaid revenue of \$246,700 with \$2,143,000 GF/GP for the Criminal Background Check Program for employees of adult foster care facilities and homes for the aged due to lack of available fee revenue.

16. Immunization and Infectious Disease ARRA Funding

One-time federal American Recovery and Reinvestment Act grants are included in the budget to increase vaccinations (\$2,352,700), improve immunization registry data (\$160,000), and prevent healthcare associated infection (\$310,000).

17. Injury Control Intervention Project - VETOED

The Governor vetoed the Injury Control Intervention Project line item appropriation of \$200,000 Gross (\$100,000 GF/GP) for two traumatic brain injury treatment model pilot programs. Related Sec. 1031 boilerplate was also vetoed.

18. Healthy Michigan Funded (HMF) Projects and Poison Control

State restricted Healthy Michigan Fund appropriations for projects is reduced from \$25.1 million to \$11.0 million, and HMF funding for Medicaid match is increased from \$15.9 million to \$26.5 million, for GF/GP savings. Funds to 16 of 27 projects are eliminated. HMF funding for poison control is replaced with GF/GP, with Gross funding for the program of \$1.1 million when combined with matching federal funds. Overall HMF revenue is down by \$3.5 million due to declining cigarette tax revenue. Related boilerplate sections are deleted or revised.

19. Public Health Program State Funding Reductions

For GF/GP savings of \$3.3 million, reductions are made to laboratory services and family planning local agreements, and the following public health programs are eliminated: AIDS and risk reduction clearinghouse and media campaign, African-American male health initiative, public health physician practice project, gonorrhea and chlamydia targeted initiative, and methamphetamine cleanup fund.

20. Local Public Health Operations Funding

Funding to local public health departments for state-local cost-shared key public health services is reduced by \$535,600.

21. Zero to Three Early Childhood Program Funding - VETOED

The Governor vetoed the Early Childhood Collaborative Secondary Prevention line item appropriation of \$524,000 GF/GP for children ages 0-3 at risk of abuse and neglect, but Department of Human Services funding for the program is retained.

22. Prenatal Care Outreach - VETOED

The Governor vetoed the Prenatal Care Outreach and Service Delivery Support line item appropriation of \$3,249,300 Gross (\$1,028,900 GF/GP) for services for low-income pregnant women including the nurse family partnership and prenatal smoking cessation programs. Related boilerplate sections 1107, 1112, and 1139 are also vetoed.

23. Women, Infants, and Children (WIC) Food Program

Federal funds for the WIC special supplemental food and nutrition program are increased by \$35.2 million for food and administration, related to continued increases in program participation and in food costs.

24. Office of Drug Control Policy Dissolved

Executive Order 2009-2 abolished the Office of Drug Control Policy effective October 1, 2009. GF/GP funding is eliminated and programs are transferred to the DCH Mental Health and Substance Abuse Services Administration.

25. Crime Victim's Rights Fund Increase for Forensic Exams

Crime victim services funding is increased by \$1.5 million of state restricted funds to implement Public Acts 390 and 391 of 2008, which allow reimbursement to providers for victim forensic exams related to sexual assault.

26. Aging Program Reductions

The following reductions are made for GF/GP savings: \$2,147,600 for senior community services programs, \$1,610,000 for senior meals, and \$771,700 for senior volunteer programs. Merit Award Trust Fund monies for senior respite care are reduced by \$531,300. Senior Olympics funding of \$100,000 GF/GP is eliminated. The Governor vetoed Sec. 1419 and eliminates related \$120,100 GF/GP of nutrition services funding allocated for the Michigan Agricultural Surplus System.

27. Elimination of Health IT Initiatives Funding

The budget includes the elimination of \$5.0 million GF/GP funding for Health Information Exchanges (HIEs) and the HIE Resource Center for health information technology initiatives.

28. CSHCS and Parent Participation Fee Increase

The budget includes savings of \$1,540,100 GF/GP replaced with an increase of fees on families utilizing Children's Special Health Care Services (CSHCS).

29. CSHCS - Health Care Coverage Expansion

Federal Title XIX Medicaid funding is increased by \$11,373,200 in the Children's Special Health Care Services program expanding primary care coverage for disabled children in households with income between 200% and 300% of the federal poverty level. This would cover an estimated 4,000 more children.

30. Other CSHCS Reductions

The budget includes the elimination of non-emergency medical transportation services for Title V CSHCS eligibles, saving \$1,183,600 GF/GP, and the elimination of coverage for diapers and incontinence supplies for the same group saving \$1,098,200 GF/GP.

31. Medicaid Caseload, Utilization and Inflation Increase

The budget includes an increase of \$635,442,800 Gross (\$235,593,300 GF/GP) to cover caseload/utilization/inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services, Adult Benefits Waiver and Federal Medicare Prescription programs. This caseload adjustment includes the annualization of the 4% Medicaid provider rate reduction and reductions to Single Point of Entry, Medicaid optional services for adults, and non-emergency transportation included in Executive Order 2009-22.

32. Federal Stimulus Savings from Enhanced FMAP Rate

Within the budget, GF/GP savings of \$977,546,100 are recognized for Medicaid medical services, mental health and substance abuse services resulting from the increased Federal Medical Assistance Percentage (FMAP) rate implemented through the federal American Recovery and Reinvestment Act. The rate is used to determine the federal share of state Medicaid expenditures. The stimulus act increased Michigan's FMAP rate from a base rate of 63.19% to an enhanced rate of 73.27% for FY 2009-10, increasing federal funding and leading to offsetting state savings.

33. Adult Home Help Worker Increase

An increase of \$16,584,000 Gross (\$4,432,900 GF/GP) is included in the budget to raise pay rates for adult home help workers in all counties by \$0.50 per hour over FY 2008-09 levels.

34. Additional 4% Provider Rate Reduction

The budget includes savings of \$177,488,800 Gross (\$47,442,800 GF/GP) in various Medical Services line items linked to an additional 4% reduction in Medicaid provider rates beyond the rate reduction imposed in Executive Order 2009-22. This reduction impacts the same providers affected by the cut in Executive Order 2009-22.

35. Restoration of Executive Order Rate Reductions through QAAP

Appropriated within the budget is an increase of \$101,498,500 Gross (a reduction of \$3,951,200 GF/GP) to replace the reductions attributed to the 4% provider rate reductions to hospitals and nursing homes in Executive Order 2009-22 by increasing the Quality Assurance Assessment Program tax on these entities. This action generates additional net GF/GP savings for the overall budget.

36. Preferred Drug List Savings

The budget includes Pharmaceutical Services line savings of \$18,663,500 Gross (\$4,988,800 GF/GP) from moving behavioral health drugs to the preferred drug list. The action necessitated changes to current state law to realize the savings.

37. Pharmacy Dispensing Fee Increase

Included in the budget is an annualization of the \$0.25 per script increase in the pharmaceutical dispensing fee for FY 2009-10, a \$629,200 Gross (\$231,600 GF/GP) increase. The increase for FY 2008-09 had been eliminated in Executive Order 2009-22.

38. Nursing Home Transition Savings

The budget includes net savings of \$17,379,400 Gross (\$4,645,600 GF/GP) resulting from nursing home transitions. Direct savings in the Long-Term Care Services line are offset by increases in community-based long-term care services lines.

39. Long-Term Care Estate Recovery Savings

Included in the budget are savings of \$29,600,100 Gross (\$7,912,100 GF/GP) from estate recovery efforts from persons receiving Medicaid-funded long-term care services.

40. Medicaid HMO Federal Pharmaceutical Rebates

The budget includes a reduction of \$120.0 million Gross (\$32,076,000 GF/GP) which represents anticipated savings in the Health Plan Services line item from allowing health plans to receive federal pharmaceutical rebates for prescription drugs provided to managed care Medicaid enrollees. To realize these savings required a change in federal law.

41. Fund Shift - Medicaid Benefits Trust Fund

Included in the budget is a fund shift replacing GF/GP with Medicaid Benefits Trust Fund revenue from an estimated \$11.4 million fund balance plus \$3.7 million in additional presumed fraud savings to be generated from enhanced efforts through fraudulent billing reform legislation.

42. Savings from Data Requirements on Auto Insurers

The budget includes savings of \$18,705,600 Gross (\$5.0 million GF/GP) resulting from requiring automobile insurers to identify third-party liability to the State's Medicaid program.

43. Medicaid HMO Administrative Rate Reduction

Included in the budget is a reduction of \$6,586,600 Gross (\$1,365,400 GF/GP) generated by a reduction of 2.1% to the administrative rate paid to Medicaid HMOs. This action is expected to reduce allowable administrative costs as a percent of the overall rate to approximately 10.9%.

FY 2008-09 FUNDING ADJUSTMENTS

Five supplemental funding adjustments have been made to the enacted FY 2008-09 Community Health budget, **Executive Order 2008-21, Public Act 7 of 2009, Executive Order 2009-22, Public Act 79 of 2009, and Public Act 122 of 2009**. Additional detail is included within each appropriation section throughout this report.

Executive Order 2008-21, approved by the House and Senate Appropriations Committees on December 10, 2008, reduces the FY 2008-09 Department of Community Health budget by \$44,436,700 Gross (\$37,857,100 GF/GP). Administrative efficiencies for the Center for Forensic Psychiatry, Health Systems Administration, Family, Maternal, and Children's Health Services Administration, Medical Services Administration, Pharmaceutical Services, and Single Point of Entry line items result in savings of \$5,835,900 Gross (\$3,098,500 GF/GP). The shifting of administrative costs to federal and state restricted revenues for the Departmental Administration and Management, Mental Health/Substance Abuse Program Administration, and Laboratory Services line items result in savings of \$650,000 Gross (all GF/GP). Children's Special Health Care Services (CSHCS) Title V funding for drug rebates results in savings of \$2,916,700 Gross (all GF/GP). CHSCS caseload medical care savings are recognized of \$6,169,400 Gross (all GF/GP). Quality assurance assessment program (QAAP) adjustments for the Medicaid Mental Health Services, Hospital Services and Therapy, and Health Plan Services line items, due to a higher than anticipated upper payment limit, result in savings of \$5,281,600 Gross (all GF/GP). Funding for the Health Plan Services line item is reduced by \$1.4 million Gross (all GF/GP) due to a higher than anticipated DSH allotment cap for state psychiatric hospitals. Given a greater transitioning of Medicaid nursing home residents to community settings, funding for the Long-Term Care Services line item is reduced by \$6,375,000 Gross (\$2,532,800 GF/GP). The FY 2007-08 lapse of \$5,808,100 of Michigan Promise Grant and Merit Award and \$10.0 million reduction for Michigan Promise Grant result in a funding reduction of \$15,808,100 Gross (all GF/GP) for the Long-Term Care Services line item.

Public Act 7 of 2009 (Enrolled House Bill 4258), effective April 7, 2009, provides supplemental FY 2008-09 appropriations of \$46,709,000 Gross (all federal revenue realized through the American Recovery and Reinvestment Act of 2009). Included in the supplemental is Edward Byrne Memorial Justice Assistance formula grant funds of \$41,199,000 that are available for state and local programs to prevent and control crime. The Department of Community Health as state administering agency will set priorities and allocate Byrne formula grant funds. Recognized in the supplemental is an additional \$1,162,000 for crime victim justice assistance grants for direct services to crime victims such as counseling, advocacy, therapy, shelter and referral. Included in the supplemental is an additional \$356,000 for compensation to crime victims who suffer bodily injury. Funding for nutrition and meals programs for seniors is increased by \$3.2 million. These funds will be provided through area agencies on aging (AAAs) using the existing AAA allocation formula. Funding for the

Senior Community Service Employment Program of subsidized part-time employment for low-income seniors is increased by \$792,000. The additional funds will expand the number of employment positions that are supported under the parameters of the current program.

Executive Order 2009-22, approved by the House and Senate Appropriations Committees on May 5, 2009, reduces the FY 2008-09 Department of Community Health budget by \$105,579,400 Gross (\$53,095,500 GF/GP). Following are the adjustments included in the Executive Order:

<u>ITEM</u>	<u>GROSS</u>	<u>GF/GP</u>
Projected Lapses	(1,367,000)	(1,367,000)
Protection and Advocacy Services	(97,200)	(97,200)
Mental Health Initiatives for Older Persons	(262,300)	(262,300)
Mental Health/Substance Abuse Program Administration	(15,000)	(15,000)
CMH Non-Medicaid Services	(10,000,000)	(10,000,000)
Respite Services	(250,000)	(250,000)
State Disability Assistance Program Substance Abuse Services	(106,700)	(106,700)
Coordinating Agencies on Substance Abuse	(739,800)	(739,800)
Community Substance Abuse Prevention, Education and Treatment Programs	(800,000)	(800,000)
Mental Health Court Pilot Programs	(800,000)	(800,000)
Severance Pay	(216,900)	(216,900)
Rural Health Services	(38,600)	(29,000)
Public Health Physician Practice Project	(69,000)	(69,000)
Immunization Local Agreements Fund Shift	(350,000)	(350,000)
Gonorrhea and Chlamydia Initiative, and GF Savings from Fund Shift	(720,400)	(720,400)

ITEM	GROSS	GF/GP
Asthma Prevention and Control	(55,700)	(55,700)
Methamphetamine Cleanup Fund	(40,000)	(40,000)
Informed Consent Materials	(30,000)	(30,000)
Local Public Health Operations	(1,535,600)	(1,535,600)
Healthy Michigan Fund (HMF) Programs and Medicaid GF/GP Savings	(7,678,100)	(3,789,700)
African-American Male Health Initiative	(42,800)	(42,800)
AIDS & Risk Reduction Clearinghouse and Media Campaign	(540,400)	0
Traumatic Brain Injury Pilot Projects	(200,000)	(200,000)
Migrant Health Care	(68,000)	(34,000)
Nurse Family Partnership Program and \$50,000 Medicaid GF/GP Savings	(302,800)	(252,800)
Family Planning Program	(75,000)	(75,000)
Special Needs Vision Clinic	(12,500)	(12,500)
Aging - Community Services	(661,900)	(661,900)
Aging - Meals and Nutrition Services	(479,400)	(479,400)
Aging - Volunteer Programs	(239,100)	(239,100)
Senior Olympics	(20,000)	(20,000)
Senior Respite Care	(212,500)	0
CSHCS Parent Participation Fee	(275,000)	(275,000)
Health Information Technology	(1,072,600)	(1,072,600)
Medicaid Provider Payment Rates	(44,372,200)	(13,010,100)
Pharmacy Dispensing Fee	(314,600)	(92,200)
Behavioral Health Drugs	(4,665,900)	(1,368,000)
Medicaid Optional Services	(9,476,000)	(3,304,200)
Ambulance Provider Rates	(379,800)	(111,400)
Merit Award Trust Fund	(5,312,500)	(5,312,500)
Personal Care Payment Savings	(672,000)	(197,000)
Single Point of Entry Programs	(4,200,000)	(2,100,000)
Third Party Liability Fund Shift	(400,000)	(400,000)
Hurley Hospital Payment	(250,000)	(250,000)
Furlough Day Savings	(6,162,100)	(2,310,700)

Public Act 79 of 2009 (Enrolled Senate Bill 334), effective August 31, 2009, provides FY 2008-09 supplemental appropriations of \$394,228,200 Gross (\$317,843,700 GF/GP). In conjunction with June 12, 2009 legislative transfers approved by the House and Senate Appropriations Committees (transfers that do not have a gross or GF/GP impact on DCH's budget), Medicaid funding levels for multiple appropriation line items are increased by \$325,188,300 Gross (\$140,383,500 GF/GP) to reflect the consensus FY 2008-09 expenditures agreed to by the House and Senate Fiscal Agencies and the State Budget Office on May 14, 2009. The Healthy Michigan Fund (HMF) authorization within the Hospital Services and Therapy line item is increased by \$3,839,700. These funds are available through various HMF program reductions included in Executive Order 2009-22. The Merit Award Trust Fund authorization within the Long-Term Care Services line item is increased by \$5,312,500. These funds are available from reductions to the senior respite care program and from reductions within the Department of Treasury and Higher Education budgets. Effective April 1, 2009, the 5.5% provider tax is eliminated and a use tax of 6.0% is assessed for Medicaid managed care providers. As a result of the use tax statutory changes, the following changes are included in the supplemental: an additional \$14,144,000 Gross (\$5,619,500 GF/GP) is recognized for PIHPs and Health Plans to reflect the conversion of the base amount funding for these managed care providers from state restricted revenue to use tax revenue; and an increase of \$147,342,800 GF/GP is recognized for managed care providers, with a corresponding reduction in state restricted revenue, to recognize the elimination and conversion of QAAP revenue to use tax revenue. Due to the closure of Mt. Pleasant Center for Persons with Developmental Disabilities on October 10, 2009, funding for the Closed Site, Transition, and Related Costs line item is increased by \$7,997,700 Gross (all GF/GP). The funding for this line item finances one-time costs such as leave payouts, unemployment costs, and severance pay.

Funding for the Medicaid Mental Health Services line item is reduced by \$48,300 Gross (\$16,700 GF/GP) and Medicaid Substance Abuse Services line item is increased by the same amount of funding to correct the FY 2008-09 actuarially soundness adjustments for PIHPs. Funding for the Health Plan Services line item is increased by \$52,993,800 Gross (all state restricted, local and federal revenue) anticipating the FY 2008-09 expenditure level for the hospital rate adjustor payment, special network access fee, and school health payments. Funding for the Health Plan Services and Medicaid Mental Health Services line items are increased by \$3,383,500 Gross (all state restricted revenue) to recognize QAAP increases related to the special network access fee, hospital rate adjustor, and school health payments as well as GF/GP savings included in Executive Order 2008-21. Funds for the Health Plan Services line item are increased by \$2,396,200 Gross (all state restricted revenue) to correct the disproportionate share hospital (DSH) allotment for state psychiatric hospitals in FY 2008-09. Funds for the Health Plan Services line item are increased by \$3,722,900 Gross (all federal and state restricted revenue) anticipating the FY 2008-09 allotment level for the DSH allotment for state psychiatric hospitals. The School-Based Services appropriation is reduced by \$24,750,400 Gross, with a corresponding \$16.5 million GF/GP

increase, to offset the loss of state earnings in the school-based services program due to a federal change in the claims reimbursement methodology.

Public Act 122 of 2009 (Enrolled Senate Bill 95), effective October 19, 2009, provides supplemental appropriations for FY 2008-09 that result in a net reduction of \$3,078,300 Gross (\$848,667,400 GF/GP). As a result of the American Recovery and Reinvestment Act (ARRA) that increases the federal Medicaid match rate from 60.27% to 69.58% for the first two fiscal quarters and to 70.68% for the last two fiscal quarters, funding for various Medicaid related accounts was reduced by \$3,228,300 Gross (\$848,667,400 GF/GP). This adjustment includes an increase of \$965,700,600 in federal Medicaid revenue, a reduction of \$3,308,300 in local revenue, and \$116,953,200 reduction in state restricted revenue. Included in the supplemental is recognition of federal revenues totaling \$150,000 from competitive grants authorized under ARRA to improve the quality of health care provided in ambulatory surgical centers.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
DEPARTMENT OF COMMUNITY HEALTH								
APPROPRIATION SUMMARY:								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	4,602.7	4,380.1	4,380.1	4,378.6	4,369.6	4,375.6	(1.0)	4,374.6
Average population	970.4	893.0	893.0	893.0	893.0	893.0	0.0	893.0
GROSS APPROPRIATION	12,488,705,300	12,966,966,900	12,972,974,900	13,481,158,500	12,859,470,400	13,092,429,800	(9,618,500)	13,082,811,300
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartment	40,883,900	48,677,000	50,446,000	47,177,000	47,177,000	48,946,000	0	48,946,000
ADJUSTED GROSS APPROPRIATION	12,447,821,400	12,918,289,900	12,922,528,900	13,433,981,500	12,812,293,400	13,043,483,800	(9,618,500)	13,033,865,300
Federal revenues:								
Total other federal revenues	7,219,405,800	7,794,347,600	7,799,196,600	8,024,518,800	7,719,575,200	7,869,380,800	(5,554,900)	7,863,825,900
Total federal revenues (ARRA)	0	529,057,100	529,057,100	936,735,900	972,971,300	1,080,092,400	0	1,080,092,400
Special revenue funds:								
Total local revenues	241,578,600	229,677,200	229,677,200	217,839,500	227,986,700	225,972,600	0	225,972,600
Total private revenues	66,686,800	70,208,500	70,208,500	72,608,500	72,308,500	72,308,500	0	72,308,500
Merit award trust fund	60,856,200	22,899,900	22,899,900	22,899,900	22,899,900	22,899,900	0	22,899,900
Total other state restricted revenues	1,801,622,200	1,470,525,300	1,470,525,300	1,489,537,700	1,528,563,400	1,464,163,500	0	1,464,163,500
State general fund/general purpose	3,057,671,800	2,801,574,300	2,800,964,300	2,669,841,200	2,267,988,400	2,308,666,100	(4,063,600)	2,304,602,500

DEPARTMENTWIDE ADMINISTRATION

The enacted budget includes no changes to the Director and Other Unclassified line item.

Federal random moment sampling revenue is increased by \$867,000 and the Health Professions Regulatory Fund revenue is reduced by a corresponding amount to reflect actual revenue supporting the Departmental Administration and Management line item. Funds for the Departmental Administration and Management line item are increased by \$116,100 Gross (\$68,900 GF/GP) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Departmental Administration and Management line item are increased by \$255,500 Gross (\$164,300 GF/GP). Employees' defined contribution retirement costs supported by the Departmental Administration and Management line item are increased by \$11,500 Gross (\$6,800 GF/GP). Employees' insurance costs supported by the Departmental Administration and Management line item are increased by \$77,400 Gross (\$48,100 GF/GP). Funds for the Departmental Administration and Management line item are increased by \$34,600 Gross (\$20,100 GF/GP) to reflect an economic adjustment for the interdepartmental grant from the Department of Community Health within the Department of Energy, Labor, and Economic Growth budget for the State Office of Administrative Hearings and Rules. Funding of \$112,400 Gross (\$89,900 GF/GP) for one liaison internal auditor is transferred from the Internal Audit Consolidation line item that was created due to implementation of Executive Order 2007-31 consolidating internal audit functions. Available federal random moment sampling revenue of \$200,000 is recognized for the Departmental Administration and Management line item given approval of contingency fund transfer request dated December 10, 2008 by the House and Senate Appropriations Committees. Administrative costs for the Departmental Administration and Management line item are reduced by \$63,100 Gross (all GF/GP) as part of a 10% reduction plan for the Department of Community Health's budget.

Funding of \$646,600 Gross (\$517,300 GF/GP) for six internal auditors is transferred from the Internal Audit Consolidation line item to the Department of Management and Budget. Funding of \$112,400 Gross (\$89,900 GF/GP) for one liaison internal auditor is transferred from the Internal Audit Consolidation line item to the Departmental Administration and Management line item.

The federal Medicaid Infrastructure grant of \$700,500 which finances 4.5 FTE positions is transferred from the Office of Office of Long-Term Care and Supports and Services line item to the Federal and Other Special Projects line item within the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit. The grant is used to remove systematic barriers to employment for individuals with disabilities and supports the inclusion of individuals in the workplace. The federal Aging and Disability Resource grant of \$250,000 which finances 1.0 FTE position is eliminated

from the Office of Long-Term Care and Supports and Services line item as this grant has ended. This federal grant was used to assist Michigan in its efforts to create a single coordinated system of information and access for persons seeking long-term support, and support informed decision-making. Funding of \$2,968,800 Gross (\$809,900 GF/GP) and 19.5 FTE positions are transferred from the Office of Long-Term Care and Supports and Services line item to the Office of Services to Aging Administration and Medical Services Administration line items as this Office will be integrated within the Department of Community Health. Pursuant to Executive Order 2009-3, the Office of Long-Term Care Support and Services is abolished on October 1, 2009.

Funds for the Office of Long-Term Care and Supports and Services line item are increased by \$13,700 Gross (\$9,600 GF/GP) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Office of Long-Term Care and Support and Services line item are increased by \$13,900 Gross (\$1,800 GF/GP). Employees' defined contribution retirement costs supported by the Office of Long-Term Care and Support and Services line item are increased by \$3,500 Gross (\$1,800 GF/GP). Employees' insurance costs supported by the Office of Long-Term Care and Support and Services line item are increased by \$6,200 Gross (\$3,100 GF/GP).

An economic increase of \$236,100 Gross (\$235,700 GF/GP) is included in the budget for the Worker's Compensation Program line item. Funding for the Worker's Compensation Program line item is reduced by \$900,000 Gross (all GF/GP) based on the most recent estimate of worker's compensation costs in FY 2009-10.

An economic increase of \$455,600 Gross (\$305,300 GF/GP) is included in the budget for the Rent and Building Occupancy line item for rental costs in privately-owned buildings. An economic reduction of \$212,500 Gross (\$142,700 GF/GP) is included in the budget for the Rent and Building Occupancy line item for rental, security, and operating costs of state-owned buildings.

Funds for the Developmental Disabilities Council and Projects appropriation are increased by \$6,300 Gross (all federal revenue) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$7,000 Gross (all federal revenue). Employees' defined contribution retirement costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$1,400 Gross (all federal revenue). Employees' insurance costs supported by the Developmental Disabilities Council and Projects appropriation are increased by \$4,300 Gross (all federal revenue).

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces funding for the Departmental Administration and Management line item by \$200,000 Gross (all GF/GP). The reduction is offset by additional federal random moment time study earnings of \$200,000 given approval of a contingency fund transfer dated December 10, 2008 by the House and Senate Appropriations Committees.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces funding for the Departmental Administration and Management line item by \$308,500 Gross (\$184,500 GF/GP) to recognize six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces funding for the Office of Long-Term Care and Supports and Services line item by \$90,000 Gross (all GF/GP) due to a projected lapse for this line item in FY 2008-09. Executive Order 2009-22 reduces funding for the Office of Long-Term Care and Supports and Services line item by \$31,400 Gross (\$12,600 GF/GP) to recognize six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces funding for the Worker's Compensation Program line item by \$900,000 Gross (all GF/GP) due to a projected lapse for this line item in FY 2008-09.

Executive Order 2009-22 reduces funding for the Developmental Disabilities Council and Projects line item by \$17,100 Gross (all federal revenue) to recognize six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 102. DEPARTMENTWIDE ADMINISTRATION								
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	206.2	182.2	182.2	182.2	182.2	182.2	0.0	182.2
Director and other unclassified--* FTE positions	598,600	598,600	598,600	598,600	0	598,600	0	598,600
* positions in above line	6.0	6.0	6.0	6.0	0.0	6.0	0.0	6.0
Director--* FTE positions	0	0	0	0	146,500	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Deputy director--* FTE positions	0	0	0	0	132,000	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Director, office of services to the aging--* FTE posi	0	0	0	0	106,100	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Public relations liaison--* FTE positions	0	0	0	0	60,000	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Communications director--* FTE positions	0	0	0	0	79,000	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Legislative liaison--* FTE positions	0	0	0	0	75,000	0	0	0
* positions in above line	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Departmental administration and management--* F	21,662,900	22,470,400	22,470,400	22,470,400	22,520,400	22,407,300	0	22,407,300
* positions in above line	171.2	172.2	172.2	172.2	172.2	172.2	0.0	172.2
Internal audit consolidation	759,000	0	0	0	0	0	0	0
Office of long-term care and supports and services	3,882,000	0	0	0	0	0	0	0
* positions in above line	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Worker's compensation program	8,911,000	9,147,100	9,147,100	9,147,100	9,147,100	8,247,100	0	8,247,100
Rent and building occupancy	10,535,000	10,778,100	10,778,100	10,778,100	10,778,100	10,778,100	0	10,778,100
Developmental disabilities council and projects--* F	2,774,500	2,793,500	2,793,500	2,793,500	2,793,500	2,793,500	0	2,793,500
* positions in above line	10.0	10.0	10.0	10.0	10.0	10.0	0.0	10.0
GROSS APPROPRIATION								
Appropriated from:	49,123,000	45,787,700	45,787,700	45,787,700	45,837,700	44,824,600	0	44,824,600
Federal revenues:								
Total federal revenues	15,418,800	13,605,300	13,605,300	13,605,300	13,605,300	13,605,300	0	13,605,300
Special revenue funds:								
Total private revenues	76,000	35,200	35,200	35,200	35,200	35,200	0	35,200
Total other state restricted revenues	3,242,700	2,366,100	2,366,100	2,366,100	2,366,100	2,366,100	0	2,366,100
State general fund/general purpose	30,385,500	29,781,100	29,781,100	29,781,100	29,831,100	28,818,000	0	28,818,000

MENTAL HEALTH

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
MENTAL HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	2,937.2	2,723.0	2,723.0	2,726.5	2,726.5	2,718.5	0.0	2,718.5
Average population	970.4	893.0	893.0	893.0	893.0	893.0	0.0	893.0
GROSS APPROPRIATION	2,801,563,900	2,949,264,000	2,955,882,000	3,036,062,900	3,112,968,300	2,960,398,900	(300,100)	2,960,098,800
Interdepartmental grant revenues:								
IDG-department of corrections	39,344,800	45,489,700	45,489,700	45,489,700	45,489,700	45,489,700	0	45,489,700
IDG-department of human services	0	0	1,769,000	0	0	1,769,000	0	1,769,000
Total interdepartmental grants and intradepartment	39,344,800	45,489,700	47,258,700	45,489,700	45,489,700	47,258,700	0	47,258,700
ADJUSTED GROSS APPROPRIATION	2,762,219,100	2,903,774,300	2,908,623,300	2,990,573,200	3,067,478,600	2,913,140,200	(300,100)	2,912,840,100
Federal revenues:								
Total other federal revenues	1,294,097,900	1,460,343,500	1,465,192,500	1,484,370,800	1,615,954,300	1,489,601,500	0	1,489,601,500
Federal FMAP stimulus (ARRA)	0	106,108,300	106,108,300	206,480,900	203,545,300	206,753,100	0	206,753,100
Special revenue funds:								
Total local revenues	176,645,900	164,619,500	164,619,500	152,843,300	162,990,500	162,990,500	0	162,990,500
Total private revenues	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	0	1,190,000
Total other state restricted revenues	118,586,700	27,089,900	27,089,900	25,135,000	37,289,900	26,084,900	0	26,084,900
State general fund/general purpose	1,171,698,600	1,144,423,100	1,144,423,100	1,120,553,200	1,046,508,600	1,026,520,200	(300,100)	1,026,220,100

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Available federal Medicaid revenue of \$300,000 is recognized for the Mental Health/Substance Abuse Program Administration line item given approval of the contingency fund transfer request dated December 10, 2008 by the House and Senate Appropriations Committees. Funding of \$92,000 Gross (all GF/GP) which supported 1.0 FTE position is eliminated from the Mental Health/Substance Abuse Program Administration appropriation. The staff person was within the Office of Recipient Rights and assigned to Mt. Pleasant Center for Persons with Developmental Disabilities that closed on October 10, 2009. Funding for the Mental Health/Substance Abuse Program Administration line item is reduced by \$99,200 Gross (all GF/GP) as part of a 10% reduction plan for the Department of Community Health's budget. Federal grant funding of \$1,372,000 and 10.5 FTE positions are transferred from the Drug Control Policy line item to the Mental Health/Substance Abuse Program Administration line item as the Office of Drug Control Policy will be integrated within the Department of Community Health. Pursuant to Executive Order 2009-2, the Office of Drug Control Policy is abolished on October 1, 2009.

Funding for the Mental Health/Substance Abuse Program Administration line item is increased by \$75,000 Gross (\$59,200 GF/GP) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$119,300 Gross (\$94,200 GF/GP). Employees' defined contribution retirement costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$12,800 Gross (\$10,100 GF/GP). Employee's insurance costs supported by the Mental Health/Substance Abuse Program Administration line item are increased by \$43,300 Gross (\$34,200 GF/GP).

The enacted budget eliminates the Consumer Involvement Program appropriation of \$189,100 Gross (all GF/GP). Funds for this program assisted consumer participation in DCH policy and planning forums, and assisted consumer self-help groups through Justice in Mental Health Organizations and Michigan Association of Organizations and Individuals Promoting and Supporting Recovery and Rehabilitation for Persons with Mental Illness.

The enacted budget includes no changes to the Gambling Addiction line item.

The enacted budget reduces funding for the Protection and Advocacy Services Support line item by \$583,000 Gross (all GF/GP) which equates to a 75% reduction.

The federal Alzheimer's Disease Demonstration grant of \$242,000 supporting the Mental Health Initiatives for Older Persons line item is eliminated as this grant has expired. The GF/GP funding of \$1,049,200 for Mental Health Initiatives for Older Persons line item is also eliminated. This program provided respite care services to caregivers of persons with Alzheimer's disease and related disorders, and caregiver education on the nature and progression of Alzheimer's disease.

As residential leases have expired in Oakland County, \$478,600 Gross (all GF/GP) is transferred from the Community Residential and Support Services line item to the Community Mental Health Non-Medicaid Services line item. The GF/GP support for the Community Residential and Support Services line item is reduced by \$100,000, with a corresponding increase of \$200,000 in available federal oil/gas royalty revenue.

The enacted budget includes no changes to the Highway Safety Projects line item.

The federal Medicaid Infrastructure grant of \$700,500 supporting the Office of Long-Term Care and Supports and Services line item is transferred to the Federal and Other Special Projects line item. The grant is used to remove systematic barriers to employment for individuals with disabilities and supports the inclusion of individuals in the workplace.

The enacted budget includes no changes to the Family Support Subsidy line item.

The enacted budget includes no changes to the Housing and Support Services line item.

The Anti-Drug Abuse grants totaling \$8,575,000 are transferred from the Office of Drug Control Policy appropriation unit to the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit due to the integration of the Office of Drug Control Policy within the Department of Community Health. Pursuant to Executive Order 2009-2, the Office is abolished on October 1, 2009.

The interdepartmental grant of \$1.8 million to Judiciary for drug treatment courts is transferred from the Office of Drug Control Policy appropriation unit to the Mental Health/Substance Abuse Services Administration and Special Projects unit due to the integration of the Office of Drug Control Policy within the Department of Community Health. The Byrne Justice Assistance grant funds are provided to the Judicial Branch, State Court Administrative Office.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces funding for the Mental Health/Substance Abuse Program Administration line item by \$300,000 Gross (all GF/GP). The reduction is offset by additional federal Medicaid revenue earnings of \$300,000 given approval of a contingency fund transfer request dated December 10, 2008 by the House and Senate Appropriations Committees.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces funding for the Mental Health/Substance Abuse Program Administration line item by \$92,000 Gross (all GF/GP) to reflect elimination of 1.0 FTE position within the Office of Recipient Rights that was assigned to the Mt. Pleasant Center for Persons with Developmental Disabilities which closed October 10, 2009. Executive Order 2009-22 reduces funding for the Mental Health/Substance Abuse Program Administration line item by \$201,600 Gross (\$149,200 GF/GP) to recognize six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces funding for the Gambling Addiction line item by \$500 Gross (all state restricted revenue) to recognize six unpaid furlough days for the employee supported by this line item.

Executive Order 2009-22 reduces funding for the Protection and Advocacy Services line item by \$97,200 Gross (all GF/GP).

Executive Order 2009-22 reduces funding for the Mental Health Initiatives for Older Persons line item by \$262,300 Gross (all GF/GP). The reduction eliminates funding for this line item in the fourth quarter of the fiscal year.

Executive Order 2009-22 reduces funding for the Housing and Support Services line item by \$4,200 Gross (all federal revenue) to recognize six unpaid furlough days for the employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09	30-Oct-09
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS									
Full-time equated classified positions	109.0	123.0	123.0	126.5	126.5	118.5	0.0	118.5	118.5
Mental health/substance abuse program administration	12,960,000	15,797,200	15,797,200	16,206,700	16,206,700	14,691,200	0	14,691,200	14,691,200
* positions in above line	108.0	122.0	122.0	125.5	125.5	117.5	0.0	117.5	117.5
Consumer involvement program	189,100	189,100	189,100	189,100	189,100	0	0	0	0
Gambling addiction--* FTE positions	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0	1.0
Protection and advocacy services support	777,400	388,700	388,700	777,400	194,400	194,400	0	194,400	194,400
Mental health initiatives for older persons	1,291,200	0	0	1,049,200	0	0	0	0	0
Community residential and support services	2,514,600	2,136,000	2,136,000	2,136,000	2,136,000	2,136,000	0	2,136,000	2,136,000
Highway safety projects	400,000	400,000	400,000	400,000	400,000	400,000	0	400,000	400,000
Federal and other special projects	3,547,200	4,247,700	4,247,700	4,247,700	4,247,700	4,247,700	0	4,247,700	4,247,700
Family support subsidy	18,599,200	18,599,200	18,599,200	18,599,200	18,599,200	18,599,200	0	18,599,200	18,599,200
Housing and support services	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800	9,306,800	0	9,306,800	9,306,800
Anti-drug abuse grants	0	5,315,200	5,315,200	8,575,000	9,075,100	8,575,000	0	8,575,000	8,575,000
Interdepartmental grant to judiciary for drug treatment	0	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	0	1,800,000	1,800,000
GROSS APPROPRIATION	52,585,500	61,179,900	61,179,900	66,287,100	65,155,000	62,950,300	0	62,950,300	62,950,300
Appropriated from:									
Federal revenues:									
Total federal revenues	35,041,800	44,955,000	44,955,000	49,124,300	49,124,400	47,800,000	0	47,800,000	47,800,000
Special revenue funds:									
Total private revenues	190,000	190,000	190,000	190,000	190,000	190,000	0	190,000	190,000
Total other state restricted revenues	3,000,000	3,500,000	3,500,000	3,000,000	3,500,000	3,000,000	0	3,000,000	3,000,000
State general fund/general purpose	14,353,700	12,534,900	12,534,900	13,972,800	12,340,600	11,960,300	0	11,960,300	11,960,300

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

The budget includes an increase of \$51,696,400 in federal Medicaid revenue supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 60.27% to 63.19%. Funds for the Medicaid Mental Health Services appropriation are increased by \$23,981,600 Gross (\$8,829,200 GF/GP) anticipating an average caseload increase of 6.4% in the Medicaid eligibles over FY 2007-08. Funds for the Medicaid Mental Health Services appropriation are increased by \$51,518,200 Gross (\$18,963,800 GF/GP) in recognition of the May 14, 2009 Medicaid Revenue Consensus agreement. Funds for the Medicaid Mental Health Services appropriation are increased by \$71,634,000 Gross (\$26,368,500 GF/GP) to reflect a 4.0% capitation rate increase and ensure rates are actuarially sound in FY 2009-10. Funding for the Medicaid Mental Health Services line item is reduced by \$48,300 Gross (\$16,700 GF/GP) to correct the FY 2008-09 actuarially soundness rate adjustment for PIHPs. The QAAP revenue supporting the Medicaid Mental Health Services line item is increased by \$299,200 anticipating approval of FY 2008-09 supplemental letter dated February 12, 2009.

The budget includes an increase of \$97,370,800 in the GF/GP supporting the Medicaid Mental Health Services appropriation, with a corresponding decrease in QAAP revenue, to recognize the conversion of the provider tax assessment for PIHPs to use tax revenue. As the tax on managed care organization such as PIHPs is increased from 5.5% to 6.0% on April 1, 2009, funds for the Medicaid Mental Health Services line item are increased by \$4,677,500 Gross (\$1,721,800 GF/GP). To reflect annualization of the use tax increase from 5.5% to 6.0%, funding for the Medicaid Mental Health Services line item is increased by \$4,928,800 Gross (\$1,814,300 GF/GP). The enacted budget adds \$2,720,000 Gross (\$1,001,200 GF/GP) to the Medicaid Mental Health Services appropriation to annualize the cost of a 1.0% wage increase, effective February 1, 2009, for direct care workers in community mental health settings.

Funding for the Medicaid Mental Health Services line item is increased by \$8,480,600 Gross (\$2,019,200 GF/GP) due to the federalization of Mt. Pleasant Center earned days of care adjustments from FY 2007-08 through FY 2009-10, and establishment of specialized rate increase for Habilitation (Hab) C waiver client placements into the community. The appropriation for Medicaid Mental Health Services is increased by \$541,300 Gross (\$199,300 GF/GP) in recognition of an increase in the use tax revenue due to the establishment of a specialized rate increase for Mt. Pleasant Center's client placements. Due to the establishment of a hospital rate adjustor for PIHPs, \$30,000,000 Gross (all federal and state restricted revenue) is added to the Medicaid Mental Health Services appropriation. As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services will be passed through PIHPs. Recognizing an increase in use tax revenue due to implementation of a hospital rate adjustor for PIHPs, funding for the Medicaid Mental Health Services line item is increased by \$1,914,900 Gross (\$704,900 GF/GP).

The enacted budget includes an increase of \$194,527,800 in the federal Medicaid revenue supporting the Medicaid Mental Health Services line item, with a corresponding decrease in GF/GP, due to the American Recovery and Reinvestment Act which provides a temporary increase in the match rate from 63.19% to 73.27%. The budget includes an increase of \$3,024,000 in the federal Medicaid revenue supporting the Medicaid Mental Health Services line item, with a corresponding decrease in QAAP revenue, due to the American Recovery and Reinvestment Act which provides a temporary increase in the match rate from 63.19% to 73.27%.

As residential leases have expired in Oakland County, \$478,600 Gross (all GF/GP) has been transferred to the Community Mental Health Non-Medicaid Services line item from the Community Residential and Support Services line item. To recognize FY 2005-06 changes in the utilization of days of care at Mt. Pleasant Center by CMHSPs, \$1,659,400 Gross (all GF/GP) has been redirected from the CMHSP, Purchase of State Services Contracts line item to the Community Mental Health Non-Medicaid Services line item. To recognize FY 2006-07 changes in the utilization of days of care at Mt. Pleasant Center by CMHSPs, \$1,955,300 Gross (all GF/GP) has been redirected from the CMHSP, Purchase of State Services line item to the Community Mental Health Non-Medicaid Services line item. To recognize FY 2007-08 changes in the utilization of days of care at Mt. Pleasant Center by CMHSPs, \$1,058,000 Gross (all GF/GP) has been redirected from the CMHSP, Purchase of State Services line item to the Community Mental Health Non-Medicaid Services line item.

The enacted budget adds \$289,000 Gross (all GF/GP) to the Community Mental Health Non-Medicaid Services line item to annualize the cost of a 1.0% wage increase, effective February 1, 2009, for direct care workers in community mental health settings. Funding for the Community Mental Health Non-Medicaid Services line item is reduced by \$43,623,100 Gross (all GF/GP) which includes annualization of the Executive Order 2009-22 reduction of \$10 million. Funding for the Community Mental Health Non-Medicaid Services is increased by \$3,623,100 given the following: federalizing FY 2007-08 through FY 2009-10 earned days of care at Mt. Pleasant Center (\$3,121,700 GF/GP), savings realized because of applying the use tax on PIHPs (\$342,000 GF/GP), and closure savings from Mt. Pleasant Center (\$159,400 GF/GP).

The enacted budget includes an increase of \$816,000 in Title XXI revenue supporting the Medicaid Adult Benefits Waiver appropriation, with a corresponding decrease in GF/GP, due to an increase in the Title XXI match rate from 72.19% to 74.23%.

An increase of \$1,057,200 is included in the enacted budget for the federal Medicaid revenue supporting the Medicaid Substance Abuse Services appropriation, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 60.27% to 63.19%. Funding for the Medicaid Substance Abuse Services line item is increased by

\$48,300 Gross (\$16,700 GF/GP) to correct the FY 2008-09 actuarially soundness rate adjustment for PIHPs. Funds for the Medicaid Substance Abuse Services appropriation are increased by \$2,538,600 Gross (\$932,800 GF/GP) to support an anticipated 6.4% increase in the average caseload from FY 2007-08. Funds for the Medicaid Substance Abuse Services appropriation are increased by \$1,139,000 Gross (\$419,300 GF/GP) in recognition of the July 2, 2009 Medicaid Revenue Consensus agreement. The appropriation for the Medicaid Substance Abuse Services line item is increased by \$1,529,400 Gross (\$563,000 GF/GP) to reflect a 4.0% capitation rate increase and ensure rates are actuarially sound in FY 2009-10. The budget includes an increase of \$1,994,400 in the GF/GP supporting the Medicaid Substance Abuse Services appropriation, with a corresponding decrease in QAAP revenue, to recognize the conversion of the provider tax assessments for PIHPs to use tax revenue. As the tax on managed care organization such as PIHPs is increased from 5.5% to 6.0% on April 1, 2009, funds for the Medicaid Substance Abuse Services line item are increased by \$101,100 Gross (\$37,200 GF/GP). To reflect annualization of the use tax increase from 5.5% to 6.0%, funding for the Medicaid Substance Abuse Services line item is increased by \$107,400 Gross (\$39,500 GF/GP). The enacted budget includes an increase of \$4,201,000 in the federal Medicaid revenue supporting the Medicaid Substance Abuse Services line item, with a corresponding decrease in GF/GP, due to the American Recovery and Reinvestment Act which provides a temporary increase in the match rate from 63.19% to 73.27%.

The enacted budget eliminates the Respite Services line item funding of \$1,000,000 Gross (all GF/GP). This funding supported contracts with CMHSPs or PIHPs for respite care services primarily for children with serious emotional disturbances and their families.

The appropriation for the CMHSP, Purchase of State Services Contracts line item is reduced by \$1,476,000 Gross (all GF/GP) to reflect an increase in the federal Medicaid match rate from 60.27% to 63.19% for state psychiatric hospitals and center for persons with developmental disabilities. To recognize FY 2005-06 changes in the utilization of days of care at Mt. Pleasant Center by CMHSPs, \$1,659,400 Gross (all GF/GP) has been redirected to the CMH Non-Medicaid Services line item from the CMHSP, Purchase of State Services Contracts line item. To recognize FY 2006-07 changes in the utilization of days of care at Mt. Pleasant Center by CMHSPs, \$1,955,300 Gross (all GF/GP) has been redirected to the CMH Non-Medicaid Services line item from the CMHSP, Purchase of State Services Contracts line item. To recognize FY 2007-08 changes in the utilization of days of care at state psychiatric hospitals and center for persons with developmental disabilities by CMHSPs, \$1,058,000 Gross (all GF/GP) has been redirected to the Community Mental Health Non-Medicaid Services line item from the CMHSP, Purchase of State Services Contracts line item.

To support the base costs at Hawthorn Center, unallocated coordinating agencies on substance abuse risk pool funds of \$500,000 Gross (all GF/GP) has been transferred from the Community Substance Abuse Prevention, Education, and

Treatment Programs line item to the CMHSP, Purchase of State Services Contracts line item. To support base costs at Kalamazoo Psychiatric Hospital, \$600,000 Gross (all GF/GP) has been transferred from the Purchase of Medical Services for Residents of Hospitals and Centers line item and \$111,200 Gross (all GF/GP) has been transferred from the Severance Pay line item to the CMHSP, Purchase of State Services Contracts line item. To finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees and economic adjustments for employees' defined benefit and contribution retirement, insurance, food, gas, fuel, and utility costs at state psychiatric hospitals and center for persons with developmental disabilities, funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$2,832,200 Gross (all GF/GP). Funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$292,800 Gross (all GF/GP) to finance a 5.0% inflationary adjustment for pharmacy costs at state hospitals and centers.

In recognition of the federalization of Mt. Pleasant Center earned days of care adjustments from FY 2007-08 through FY 2009-10 and establishment of a specialized rate increase for Hab C waiver client placements, funding for the CMHSP, Purchase of State Services Contracts line item is reduced by \$6,243,400 Gross (all GF/GP). In recognition of the transfer of \$2,050,000 Gross (all GF/GP) to cover closed site costs at Mt. Pleasant Center, funding for the CMHSP, Purchase of State Services Contracts line item is reduced by this amount. In recognition of the transfer of \$159,400 GF/GP closure savings that offset the reduction to CMH Non-Medicaid Services, funding for the CMHSP, Purchase of State Services Contracts line item is reduced by this amount. In recognition of the American Recovery and Reinvestment Act which provides a temporary increase in the federal Medicaid revenue rate from 63.19% to 73.27% supporting state hospitals and centers, funding for the CMHSP, Purchase of State Services Contracts is reduced by \$3,382,200 Gross (all GF/GP).

The enacted budget includes no changes for the Civil Service Charges line item.

Funds for the Federal Mental Health Block Grant appropriation are increased by \$1,800 Gross (all federal revenue) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Federal Mental Health Block Grant appropriation are increased by \$1,500 Gross (all federal revenue). Employees' defined contribution retirement costs supporting the Federal Mental Health Block Grant appropriation are increased by \$3,000 Gross (all federal revenue). Employees' insurance costs supporting the Federal Mental Health Block Grant appropriation are increased by \$300 Gross (all federal revenue).

The enacted budget includes a reduction of \$266,700 Gross (all GF/GP) for the State Disability Assistance Program Substance Abuse Services line item.

The budget includes the transfer of unallocated coordinating agencies on substance abuse risk pool funds of \$500,000 Gross (all GF/GP) from the Community Substance Abuse Prevention, Education, and Treatment Programs line item to the CMHSP, Purchase of State Services Contract line item to support base costs at Hawthorn Center. Included in the budget is the elimination of the FY 2007-08 increase of \$400,000 Gross (all GF/GP) for the Salvation Army Harbor Light Program which is part of the funding for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation. Included in the budget is a reduction of \$470,300 Gross (all GF/GP) for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation which impacts funding for the Odyssey House. Included in the budget is a reduction of \$1,305,500 Gross (all GF/GP) for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation which was part of the Executive proposal during the Conference Workgroup deliberations to meet Leadership GF/GP target for the Department of Community Health budget. Funding reductions for the Community Substance Abuse Prevention, Education, and Treatment Programs appropriation are offset by \$950,000 in carryforward substance abuse licensing and fine revenue.

VETO - The Governor vetoed Section 407(5) boilerplate language allocating \$100 Gross (all GF/GP) from the Community Substance Abuse Prevention, Education, and Treatment Programs line item for medically necessary medications prescribed by the physician for the treatment of alcoholism and other substance abuse disorders.

VETO - The Governor vetoed Section 407(6) boilerplate language authorizing \$300,000 Gross (all GF/GP) from the Community Substance Abuse Prevention, Education, and Treatment Programs line item for the establishment of a methadone/buprenorphinic clinic in a county with a population less than 35,000.

The federal Medicaid revenue supporting the Children's Waiver Home Care Program line item is increased by \$570,800, with a corresponding decrease in GF/GP, due to an increase in the Medicaid match rate from 60.27% to 63.19%. The federal Medicaid revenue supporting the Children's Waiver Home Care Program line item is increased by \$1,970,600, with a corresponding decrease in GF/GP, due to the American Recovery and Reinvestment Act which provides a temporary increase in the match rate from 63.19% to 73.27%.

Funds for the Nursing Home PAS/ARR-OBRA line item are increased by \$4,500 Gross (\$1,900 GF/GP) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Nursing Home PAS/ARR-OBRA line item are increased by \$7,900 Gross (\$3,300 GF/GP). Employees' defined contribution retirement costs supporting the Nursing Home PAS/ARR-OBRA line item are increased by \$700 Gross (\$300 GF/GP). Employees' insurance costs supporting the Nursing Home PAS/ARR-OBRA line item are

reduced by \$2,500 Gross (\$1,100 GF/GP). As part of a 10% reduction plan for the Department of Community Health's budget, funding for the Nursing Home PAS/ARR-OBRA line item is reduced by \$50,000 Gross (all GF/GP).

The enacted budget concurs with the Executive Budget Revision letter dated June 17, 2009 which recognizes an interdepartmental grant of \$1,769,000 from the Department of Human Services (DHS) and an increase of \$4,849,000 in the federal Medicaid revenue supporting the Children with Serious Emotional Disturbance Waiver line item. The increased funding authority was necessary for the line item to implement a pilot with Department of Human Services that increases access and achieve better mental health service outcomes for abused and neglected children.

Funding of \$1,126,900 Gross (all GF/GP) for the Mental Health Court Pilot Programs line item is eliminated as ARRA federal Byrne grant funding is available to fund nine mental health court pilot programs.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces funding for the Medicaid Mental Health Services line item by \$299,200 Gross (all GF/GP) due to a higher than anticipated upper payment limit which results in additional QAAP revenue and GF/GP savings for this line item.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces funding for Community Mental Health Non-Medicaid Services line item by \$10 million Gross (all GF/GP) which represents a reduction of 12.4% for the fourth quarter of Fiscal Year 2008-09.

Executive Order 2009-22 reduces funding for the Respite Services line item by \$250,000 Gross (all GF/GP) which eliminates funding for the fourth quarter of Fiscal Year 2008-09.

Executive Order 2009-22 reduces funding for CMHSP, Purchase of State Services Contracts line item by \$723,100 Gross (all GF/GP) due to the six unpaid furlough days for employees of state hospitals and centers.

Executive Order 2009-22 reduces funding for the Federal Mental Health Block Grant line item by \$6,400 Gross (all federal revenue) to recognize six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces funding for the State Disability Assistance Program Substance Abuse Services line item by \$106,700 Gross (all GF/GP).

Executive Order 2009-22 reduces funding for the Community Substance Abuse Prevention, Education, and Treatment Programs line item by \$1,539,800 Gross (all GF/GP). Included in the reduction is \$157,105 for the Salvation Army Harbor Light Program and \$11,251 for the Odyssey House. The funding reduction is subsequently offset by approval of legislative transfer request dated May 5, 2009 by the House and Senate Appropriations Committees which recognizes \$800,000 in carryforward substance abuse licensing fees and fines.

Executive Order 2009-22 reduces funding for the Nursing Home PAS/ARR-OBRA line item by \$8,300 Gross (\$2,100 GF/GP) in recognition of the six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces funding for the Mental Health Court Pilot Programs line item by \$800,000 Gross (all GF/GP). Executive Order 2009-22 reduces funding for the Mental Health Court Pilot Programs line item by \$400 Gross (all GF/GP) in recognition of the six unpaid furlough days for employees supported by this line item. The funding reduction is subsequently offset by approval of a legislative transfer request dated May 5, 2009 by the House and Senate Appropriations Committees which recognizes \$800,000 in available Byrne Justice Assistance Grant funds.

PUBLIC ACT 79 of 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 79 of 2009 increases funding for the Medicaid Mental Health Services line item by \$29,185,000 Gross (\$10,697,700 GF/GP) in recognition of the May 14, 2009 Medicaid Revenue Consensus agreement. Funding for the Medicaid Mental Health Services line item is increased by \$299,200 Gross (all state restricted revenue) in recognition of the Executive Order 2008-21 that resulted in additional QAAP revenue. Funding for the Medicaid Mental Health Services line item is reduced by \$48,300 Gross (\$16,700 GF/GP) to correct the FY 2008-09 actuarially soundness rate adjustment for PIHPs. Funding for the Medicaid Mental Health Services line item is increased by \$4,677,500 Gross (\$1,858,400 GF/GP) to reflect the conversion of the base amount funding for this line item from state restricted revenue to use tax revenue. Funding for the Medicaid Mental Health Services line item is increased by \$49,344,900 GF/GP, with a corresponding reduction in state restricted revenue, to recognize the elimination and conversion of QAAP revenue to use

tax revenue. Prior to April 1, 2009, a provider tax of 5.5% is assessed on PIHPs. Effective April 1, 2009, a use tax of 6.0% is assessed on PIHPs.

Public Act 79 of 2009 increases funding for the Medicaid Substance Abuse Services line item by \$2,299,300 Gross (\$793,400 GF/GP) in recognition of the May 14, 2009 Medicaid Revenue Consensus agreement. Funding for the Medicaid Substance Abuse Services line item is increased by \$48,300 Gross (\$16,700 GF/GP) to correct the FY 2008-09 actuarially soundness rate adjustment for PIHPs. Funding for the Medicaid Substance Abuse Services line item is increased by \$2,448,700 Gross (\$850,300 GF/GP) to reflect the conversion of the base amount funding for this line item from state restricted revenue to use tax revenue. Funding for the Medicaid Substance Abuse Services line item is increased by \$1,067,000 GF/GP, with a corresponding reduction in state restricted revenue, to recognize the elimination and conversion of QAAP revenue to use tax revenue. Prior to April 1, 2009, a provider tax of 5.5% is assessed on PIHPs. Effective April 1, 2009, a use tax of 6.0% is assessed on PIHPs.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 122 of 2009 reduces funding for the CMHSP, Purchase of State Services Contracts line item by \$3,308,300 Gross (all GF/GP) in recognition of an increase in the federal authorization, as well as GF/GP savings, from the American Recovery and Reinvestment Act which increases the federal Medicaid match rate from 60.27% to 69.58% for the first two fiscal quarters and to 70.68% for the last two quarters. This adjustment is related to the federal ARRA increase of \$3,308,300, with a corresponding decrease in the CMHSP, Purchase of State Services Contracts deduct, for state psychiatric hospitals. The reduction is distributed as follows: \$313,800 GF/GP for Caro Regional Mental Health Center; \$240,900 GF/GP for Kalamazoo Psychiatric Center; \$410,800 GF/GP for Walter P. Reuther Psychiatric Hospital; and \$2,342,800 GF/GP for Hawthorn Center.

Public Act 122 of 2009 authorizes federal FMAP stimulus (ARRA) revenue of \$183,637,800, with a corresponding decrease in GF/GP for the Community Mental Health/Substance Abuse Services Programs appropriation unit, due to the American Recovery and Reinvestment Act which increases the federal Medicaid match rate from 60.27% to 69.58% for the first two fiscal quarters and to 70.68% for the last two quarters. The ARRA funds are distributed as follows: \$177,898,200 for Medicaid Mental Health Services; \$3,812,000 for Medicaid Substance Abuse Services; and \$1,927,600 for Children's Waiver Home Care Program.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS								
Full-time equated classified positions	9.5	9.5	9.5	9.5	9.5	9.5	0.0	9.5
Medicaid mental health services	1,770,128,000	1,939,331,800	1,939,331,800	1,968,455,100	2,150,975,800	1,970,775,800	0	1,970,775,800
Community mental health non-Medicaid services	322,027,700	319,908,700	319,908,700	337,111,700	0	287,468,000	0	287,468,000
CMH non-Medicaid in counties under 1,500,000	0	0	0	0	193,633,400	0	0	0
CMH non-Medicaid in counties over 1,500,000	0	0	0	0	52,000,000	0	0	0
CMH non-Medicaid authorities, counties > 1,500,000	0	0	0	0	20,000,000	0	0	0
Medicaid adult benefits waiver	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000
Multicultural services	6,823,800	0	0	6,823,800	6,823,900	6,823,800	0	6,823,800
Medicaid substance abuse services	36,212,700	41,297,500	41,297,500	41,297,500	40,568,500	41,676,500	0	41,676,500
Respite services	1,000,000	0	0	1,000,000	0	0	0	0
CMHSP, purchase of state services contracts	134,480,900	122,462,400	122,462,400	120,833,400	120,833,400	120,833,400	0	120,833,400
Civil service charges	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300	1,499,300	0	1,499,300
Federal mental health block grant--* FTE positions	15,368,300	15,374,900	15,374,900	15,374,900	15,374,900	15,374,900	0	15,374,900
* positions in above line	2.5	2.5	2.5	2.5	2.5	2.5	0.0	2.5
State disability assistance program substance abuse	2,509,800	2,509,800	2,509,800	6,509,800	2,509,800	2,243,100	0	2,243,100
Community substance abuse prevention, education, &	84,968,000	83,597,700	83,597,700	108,768,100	82,597,900	82,592,300	(300,100)	82,292,200
Children's waiver home care program	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800	19,549,800	0	19,549,800
Nursing home PAS/ARR-OBRA--* FTE positions	12,150,400	12,166,000	12,166,000	12,166,000	12,166,000	12,116,000	0	12,116,000
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
Children with serious emotional disturbance waiver	570,000	570,000	7,188,000	570,000	570,000	7,188,000	0	7,188,000
Mental health court pilot programs	1,126,900	0	0	100	100	0	0	0
GROSS APPROPRIATION	2,448,415,600	2,598,267,900	2,604,885,900	2,679,959,500	2,759,102,800	2,608,140,900	(300,100)	2,607,840,800
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of human resources	0	0	1,769,000	0	0	1,769,000	0	1,769,000
Federal revenues:								
Total other federal revenues	1,220,655,200	1,384,755,100	1,389,604,100	1,404,613,100	1,536,196,500	1,411,168,100	0	1,411,168,100
Federal FMAP stimulus (ARRA)	0	104,355,100	104,355,100	203,098,700	200,163,100	203,370,900	0	203,370,900
Special revenue funds:								
Total local revenues	25,228,900	25,228,900	25,228,900	15,081,700	25,228,900	25,228,900	0	25,228,900
Total other state restricted revenues	100,850,200	11,258,200	11,258,200	9,803,200	21,458,200	10,753,200	0	10,753,200
State general fund/general purpose	1,101,681,300	1,072,670,600	1,072,670,600	1,047,362,800	976,056,100	955,850,800	(300,100)	955,550,700

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

Included in the budget is an increase of \$1,476,000 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding decrease in CMHSP, Purchase of State Services Contracts deduct, to reflect an increase in the Medicaid match rate from 60.27% to 63.19%. (This adjustment corresponds to a \$1,476,000 reduction for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) Included in the budget is an increase of \$3,382,200 in the federal Medicaid revenue supporting state psychiatric hospitals, with a corresponding decrease in CMHSP, Purchase of State Services Contracts deduct, to reflect an temporary increase in the Medicaid match rate from 63.19% to 73.27% due to the American Recovery and Reinvestment Act. (This adjustment corresponds to a \$3,382,200 reduction for the CMHSP, Purchase of State Services Contracts line within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) To recognize FY 2005-06 through FY 2007-08 changes in the utilization of days of care at Mt. Pleasant Center, a reduction of \$8,645,300 Gross (\$4,672,700 CMHSP, Purchase of State Services Contracts deduct) is included in the budget for this Center which closed on October 10, 2009. (This adjustment corresponds to a \$4,672,700 reduction for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

Funding for Mt. Pleasant Center is reduced by \$15,819,400 Gross (\$6,243,400 CMHSP, Purchase of State Services Contracts deduct), with a corresponding reduction of 273.3 FTE positions, to reflect federalization of the earned days of care adjustments for this facility from FY 2007-08 through FY 2009-10, and establishment of specialized rate increase for Hab C waiver clients placed into the community. (This adjustment is part of an \$8,542,800 reduction to CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit in which 50% of the funds are redirected to CMH Non-Medicaid Services and 50% redirected to Medicaid Mental Health Services line item.) To support the base costs at Kalamazoo Psychiatric Hospital, severance pay savings of \$132,100 Gross and purchase of medical services for residents of hospitals and centers savings of \$711,200 have been transferred to this state-operated facility. Unallocated coordinating agencies on substance abuse risk pool funds of \$1,565,800 Gross has been transferred to Hawthorn Center to cover projected base costs at this state facility. (Both of these adjustments correspond to \$500,000 GF/GP and \$711,200 GF/GP increases for the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) The FTE positions supporting state psychiatric hospitals and center for persons at developmental disabilities are reduced by 34.9 to reflect the FTEs that are supportable by the appropriated funds. The average census at state psychiatric hospitals and center for persons with developmental disabilities is reduced by 8.0.

Funds for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$1,052,700 Gross (\$747,100 CMHSP, Purchase of State Services Contracts) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by \$1,904,800 Gross (\$1,364,100 CMHSP, Purchase of State Services Contracts). Employees' defined contribution retirement costs supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by \$152,200 Gross (\$106,600 CMHSP, Purchase of State Services Contracts). Employees' insurance costs supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by \$611,600 Gross (\$430,600 CMHSP, Purchase of State Services Contracts). Funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$101,600 Gross (\$77,100 CMHSP, Purchase of State Services Contracts) as an economic adjustment for clients' food costs. Funds allocated for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$157,000 Gross (\$106,700 CMHSP, Purchase of State Services Contracts) as an economic adjustment for gas, fuel, and utility costs. (Economic adjustments for employees' salary and wages, defined benefit and contribution retirement costs, and insurance costs, clients' food costs, and gas, fuel, and utility costs correspond to a \$2,832,200 increase in the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.)

To reflect FY 2008-09 employee-related savings from actual HMO rates, funding for state psychiatric hospitals is reduced by \$124,400 Gross (all CMHSP, Purchase of State Services Contracts). Funds for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$377,400 Gross (\$292,800 CMHSP, Purchase of State Services Contracts) to finance a 5.0% inflationary adjustment for pharmacy costs for state facilities. (This adjustment corresponds to a \$292,800 increase in the CMHSP, Purchase of State Services Contracts line item within the Community Mental Health/Substance Abuse Services Programs appropriation unit.) Due to the closure of Mt. Pleasant Center on October 10, 2009, funding of \$7,653,000 Gross (\$2,409,000 CMHSP, Purchase of State Services Contracts) is transferred to Caro Regional Mental Health Center for 62.5 FTE positions and 25.0 ICF/MR patients. Due to the closure of Mt. Pleasant Center, funding of \$7,222,200 Gross (\$6,483,000 CMHSP, Purchase of State Services Contracts) is transferred to Kalamazoo Psychiatric Hospital for 57.5 FTE positions and 23.0 Non-ICF/MR patients. Net funding for Kalamazoo Psychiatric Hospital is reduced by \$500,000 Gross to reflect a net reduction in federal, state restricted, and local revenue. Funding of \$2,050,000 Gross (\$2,050,000 CMHSP, Purchase of State Services Contracts) is transferred from Mt. Pleasant Center to cover closed site, transition, and related costs. Funding of \$159,400 Gross (\$159,400 CMHSP, Purchase of State Services Contracts) is transferred from Mt. Pleasant Center to offset CMH Non-Medicaid Services line item reduction. (The preceding two adjustments are part of \$8,542,800 reduction for CMHSP, Purchase of State Services line item within Community Mental Health/Substance Abuse Services Programs appropriation unit.)

Funds for the Center for Forensic Psychiatry are increased by \$600,000 Gross (all GF/GP) to partially restore one-time vacancy savings of \$1.0 million GF/GP that was included in Executive Order 2008-21. Funds for the Center for Forensic Psychiatry are increased by \$102,500 Gross (\$95,700 GF/GP) to finance a 5.0% inflationary adjustment for pharmacy costs at this facility. Funds for the Center for Forensic Psychiatry are increased by \$358,700 Gross (\$335,100 GF/GP) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Center for Forensic Psychiatry are increased by \$363,600 Gross (\$339,700 GF/GP). Employees' defined contribution retirement costs supporting the Center for Forensic Psychiatry are increased by \$56,700 Gross (\$53,000 GF/GP). Employees' supplemental retirement costs supporting the Center for Forensic Psychiatry are increased by \$179,500 Gross (\$167,700 GF/GP). Employees of the Department of Corrections are covered by a different retirement plan. Employees' insurance costs supporting the Center for Forensic Psychiatry are increased by \$182,100 Gross (\$170,100 GF/GP). As an economic adjustment, funds for the Center for the Forensic Psychiatry are increased by \$20,000 Gross (\$18,700 GF/GP) for clients' food costs. As an economic adjustment, funds for the Center for Forensic Psychiatry are increased by \$37,700 Gross (\$35,200 GF/GP) for gas, fuel, and utility costs.

Interdepartmental grant funds of \$1,152,600 and 30.0 FTE positions have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item for the phase-in costs associated with six outpatient treatment programs for 4 months based on projected caseload increase of 1,050. Interdepartmental grant funds of \$587,900 and 12.0 FTE positions have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item for the phase-in costs associated with one residential treatment program for 6 months based on a projected bed increase of 85. Interdepartmental grant funds of \$1,243,100 and 12.0 FTE positions have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item to finance one crisis stabilization program that would increase the capacity of beds from 14 to 40. Interdepartmental grant funds of \$890,400 and 11.0 FTE positions have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item for one developmental disabilities unit with a capacity of 180 beds. Interdepartmental grant funds of \$1,444,300 and 15.0 FTE positions have been added to the Forensic Mental Health Services Provided to the Department of Corrections line item to expand the capacity of residential treatment services by 40 beds.

Funding for the Forensic Mental Health Services Provided to the Department of Corrections line item is increased by \$290,000 Gross (interdepartmental grant from DOC) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$103,600 Gross (interdepartmental grant from DOC). Employees' defined contribution retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$78,300 Gross (interdepartmental grant from DOC). Employees'

supplemental retirement costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$226,800 Gross (interdepartmental grant from DOC). Employees of the Department of Corrections are covered by a different retirement plan. Employees' insurance costs supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$127,900 Gross (interdepartmental grant from DOC).

The enacted budget includes no changes for the Revenue Recapture appropriation.

The enacted budget includes no changes for the IDEA, Federal Special Education appropriation.

As part of a 10% reduction plan for the Department of Community Health's budget, the GF/GP funding of \$2,800 for the Special Maintenance and Equipment line item is eliminated. The Special Maintenance and Equipment line item is renamed "Special Maintenance".

The enacted budget includes the transfer of \$600,000 Gross (all GF/GP) from the Purchase of Medical Services for Residents of Hospitals and Centers appropriation to support base costs at Kalamazoo Psychiatric Hospital.

The enacted budget includes the transfer of \$2,050,000 Gross (all GF/GP) from Mt. Pleasant Center to the Closed Site, Transition, and Related Costs line item as this Center closed on October 10, 2009.

The enacted budget includes the transfer of \$111,200 Gross (all GF/GP) from the Severance Pay appropriation to Kalamazoo Psychiatric Hospital to support base costs at this facility. The Executive Order 2009-22 reduction of \$105,700 Gross (all GF/GP) for the Severance Pay appropriation is advanced into FY 2009-10 resulting in the elimination of the Severance Pay appropriation.

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

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces funding for the Center for Forensic Psychiatry by \$1.0 million Gross (all GF/GP) in recognition of one-time vacancy savings for this state facility.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces funding for Caro Regional Mental Health Center by \$250,600 Gross (\$195,300 CMHSP, Purchase of State Services Contracts) to recognize six unpaid furlough days for employees of this state psychiatric hospital for adults with mental illness.

Executive Order 2009-22 reduces funding for Kalamazoo Psychiatric Hospital by \$255,700 Gross (\$193,000 CMHSP, Purchase of State Services Contracts) to recognize six unpaid furlough days for employees of this state psychiatric hospital for adults with mental illness.

Executive Order 2009-22 reduces funding for Walter P. Reuther Psychiatric Hospital by \$297,800 Gross (\$242,000 CMHSP, Purchase of State Services Contracts) to recognize six unpaid furlough days for employees of this state psychiatric hospital for adults with mental illness.

Executive Order 2009-22 reduces funding for Hawthorn Center by \$163,400 Gross (\$39,700 CMHSP, Purchase of State Services Contracts) to recognize six unpaid furlough days for employees of this state psychiatric for children and adolescents with mental illness.

Executive Order 2009-22 reduces funding for Mt. Pleasant Center by \$114,800 Gross (\$53,100 CMHSP, Purchase of State Services Contracts) to recognize six unpaid furlough days for employees of this center for persons with developmental disabilities.

Executive Order 2009-22 reduces funding for the Center for Forensic Psychiatry by \$300,000 Gross (all GF/GP) projecting a FY 2008-09 lapse for this state facility. Executive Order 2009-22 reduces funding for the Center for Forensic Psychiatry by \$572,800 Gross (\$514,500 GF/GP) to recognize six unpaid furlough days for employees of this state facility.

Executive Order 2009-22 reduces the interdepartmental grant from DOC supporting the Forensic Mental Health Services Provided to the Department of Corrections by \$562,400 to recognize six unpaid furlough days for employees of this state facility.

Executive Order 2009-22 reduces funding for the Severance Pay line item by \$216,900 Gross (all GF/GP) which results in the elimination of funding for this line item.

PUBLIC ACT 79 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 79 of 2009 increases funding for the Closed Site, Transition, and Related Costs line item by \$7,997,700 Gross (all GF/GP) due to the closure of Mt. Pleasant Center on October 10, 2009. These funds finance one-time costs associated with the closure of this state facility such as leave payouts, unemployment costs, and severance pay.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 122 of 2009 authorizes federal FMAP stimulus (ARRA) revenue of \$3,308,300, with a corresponding decrease in the CMHSP, Purchase of State Services Contracts deduct for the State Psychiatric Hospitals, Centers for Persons with Developmental Disabilities, and Forensic and Prison Mental Health Services appropriation unit, due to the American Recovery and Reinvestment Act which increases the federal Medicaid match rate from 60.27% to 69.58% in the first two fiscal quarters and to 70.68% in the last two quarters. The ARRA revenue is distributed as follows: \$313,800 for Caro Regional Mental Health Center; \$240,900 for Kalamazoo Psychiatric Hospital; \$410,800 for Walter P. Reuther Psychiatric Hospital; and \$2,342,800 for Hawthorn Center.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES								
Total average population	970.4	893.0	893.0	893.0	893.0	893.0	0.0	893.0
Full-time equated classified positions	2,818.7	2,590.5	2,590.5	2,590.5	2,590.5	2,590.5	0.0	2,590.5
Caro regional mental health center - psychiatric hos	44,236,200	52,809,300	52,809,300	52,809,300	52,809,300	52,809,300	0	52,809,300
* positions in above line	404.0	468	468.3	468.3	468.3	468.3	0.0	468.3
Average population	158.0	185	185.0	185.0	185.0	185.0	0.0	185.0
Kalamazoo psychiatric hospital - adult--* FTE posit	42,646,000	51,065,700	51,065,700	51,065,700	51,065,700	51,065,700	0	51,065,700
* positions in above line	431.5	483	483.1	483.1	483.1	483.1	0.0	483.1
Average population	167.6	189	189.0	189.0	189.0	189.0	0.0	189.0
Walter P. Reuther psychiatric hospital - adult--* FTE	45,533,500	46,659,000	46,659,000	46,659,000	46,659,000	46,659,000	0	46,659,000
* positions in above line	444.2	433	433.3	433.3	433.3	433.3	0.0	433.3
Average population	238.8	234	234.0	234.0	234.0	234.0	0.0	234.0
Hawthorn center - psychiatric hospital - children and	22,749,700	24,834,000	24,834,000	24,834,000	24,834,000	24,834,000	0	24,834,000
* positions in above line	250.8	231	230.9	230.9	230.9	230.9	0.0	230.9
Average population	78.6	75	75.0	75.0	75.0	75.0	0.0	75.0
Mount Pleasant center - developmental disabilities-	43,198,700	2,465,000	2,465,000	2,465,100	2,465,000	2,465,000	0	2,465,000
* positions in above line	393.3	0	0.0	0.0	0.0	0.0	0.0	0.0
Average population	117.4	0	0.0	0.0	0.0	0.0	0.0	0.0
Center for forensic psychiatry--* FTE positions	59,386,000	61,686,800	61,686,800	61,686,800	60,686,800	61,286,800	0	61,286,800
* positions in above line	578.6	579	578.6	578.6	578.6	578.6	0.0	578.6
Average population	210.0	210	210.0	210.0	210.0	210.0	0.0	210.0
Forensic mental health services provided to the de	39,344,800	45,489,700	45,489,700	45,489,700	45,489,700	45,489,700	0	45,489,700
* positions in above line	316.3	396	396.3	396.3	396.3	396.3	0.0	396.3
Revenue recapture	750,000	750,000	750,000	750,000	750,000	750,000	0	750,000
IDEA, federal special education	120,000	120,000	120,000	120,000	120,000	120,000	0	120,000
Special maintenance	335,300	335,300	335,300	335,300	335,300	332,500	0	332,500
Purchase of medical services for residents of hosp	1,045,600	445,600	445,600	445,600	445,600	445,600	0	445,600
Closed site, transition, and related costs	100	2,050,100	2,050,100	2,050,100	2,050,100	2,050,100	0	2,050,100
Severance pay	216,900	105,700	105,700	105,700	0	0	0	0
Gifts and bequests for patient living and treatment e	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
GROSS APPROPRIATION	300,562,800	289,816,200	289,816,200	289,816,300	288,710,500	289,307,700	0	289,307,700
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of corr	39,344,800	45,489,700	45,489,700	45,489,700	45,489,700	45,489,700	0	45,489,700
Federal revenues:								
Total other federal revenues	38,400,900	30,633,400	30,633,400	30,633,400	30,633,400	30,633,400	0	30,633,400
Federal FMAP stimulus (ARRA)	0	1,753,200	1,753,200	3,382,200	3,382,200	3,382,200	0	3,382,200
Special revenue funds:								
CMHSP, purchase of state services contracts	134,605,300	122,462,400	122,462,400	120,833,400	120,833,400	120,833,400	0	120,833,400
Other local revenues	16,811,700	16,928,200	16,928,200	16,928,200	16,928,200	16,928,200	0	16,928,200
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Total other state restricted revenues	14,736,500	12,331,700	12,331,700	12,331,800	12,331,700	12,331,700	0	12,331,700
State general fund/general purpose	55,663,600	59,217,600	59,217,600	59,217,600	58,111,900	58,709,100	0	58,709,100

PUBLIC HEALTH

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10		
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
PUBLIC HEALTH APPROPRIATION SUMMARY:								
Full-time equated classified positions	973.0	998.6	998.6	993.6	984.6	992.6	0.0	992.6
GROSS APPROPRIATION	572,420,000	603,806,400	603,196,400	618,995,000	590,780,300	594,707,000	(4,048,300)	590,658,700
Interdepartmental grant revenues:								
Total interdepartmental grants and intradepartment	1,539,100	3,187,300	3,187,300	1,687,300	1,687,300	1,687,300	0	1,687,300
ADJUSTED GROSS APPROPRIATION	570,880,900	600,619,100	600,009,100	617,307,700	589,093,000	593,019,700	(4,048,300)	588,971,400
Federal revenues:								
Total other federal revenues	350,006,700	382,592,700	382,592,700	385,691,200	384,786,300	384,060,500	(2,320,400)	381,740,100
Total federal revenues (ARRA)	0	0	0	0	0	2,952,700	0	2,952,700
Special revenue funds:								
Total private revenues	63,868,800	66,446,300	66,446,300	66,746,300	66,446,300	66,446,300	0	66,446,300
Total local revenues	5,952,700	5,952,700	5,952,700	5,452,700	5,452,700	5,452,700	0	5,452,700
Total other state restricted revenues	83,096,200	80,337,900	79,727,900	82,458,100	64,415,000	69,143,000	0	69,143,000
State general fund/general purpose	67,956,500	65,289,500	65,289,500	76,959,400	67,992,700	64,964,500	(1,727,900)	63,236,600

PUBLIC HEALTH ADMINISTRATION

The Public Health Administration line item receives employee-related economic increases of \$8,800 Gross (\$8,600 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$21,900 Gross (\$21,700 GF/GP) for defined benefit retirement costs, \$500 Gross (all GF/GP) for defined contribution retirement costs, and \$3,800 Gross (all GF/GP) for insurance cost increases of 3.2%. The line is reduced by \$16,000 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings. The line item is reduced by \$600,000 Gross (\$300,000 GF/GP) for the Public Health Physician Practice Project initiative with two universities, first funded in FY 2008-09 to recruit and train qualified physicians to practice in local public health to address a shortage, for GF/GP savings.

The Minority Health Grants and Contracts line item receives employee-related economic increases of \$1,900 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$4,400 Gross (\$0 GF/GP) for defined benefit retirement costs, \$200 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$700 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. State restricted Healthy Michigan Funding is reduced by \$400,000 (\$0 GF/GP) for health disparities projects; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Promotion of Healthy Behaviors line item is increased by \$675,900 Gross (\$0 GF/GP) to recognize a new federal Michigan Nutrition Network (MNN) Food Stamp Nutrition Education grant anticipated to be ongoing. With these grant funds, DCH will work with Michigan State University Extension and Michigan Department of Human Services. Existing private grant funds in this line item serve as matching funds for the new federal grant.

The Vital Records and Health Statistics line item receives employee-related economic increases of \$41,000 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$79,400 Gross (\$0 GF/GP) for defined benefit retirement costs, \$5,300 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$30,400 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. An increase of \$131,600 Gross (\$0 GF/GP) recognizes increased interdepartmental grant revenue from the Department of Human Services for increased vital records services received related to DHS functions regarding Medicaid eligibility determination for enrollment, and paternity and protective services issues. The line item is reduced by 10.0 FTEs and \$1,000,000 Gross (\$0 GF/GP) added in FY 2008-09, as federal grant funds are not anticipated to be available soon related to implementation of new federal standards for birth certificates and matching of birth and death records, pursuant to the federal Intelligence Reform and Terrorism Prevention Act of 2004. The line item is reduced by \$2,000,000 Gross (\$0 GF/GP) recognizing completion of the 2-year federal Medicaid Transformation grant

to enhance vital records automation and interface for Medicaid eligibility determination efficiency and prevention of fraud, funded since FY 2007-08. An increase of \$1,500,000 Gross (\$0 GF/GP) is made to the line item to recognize 1-time federal funding to reinforce the interface between driver and birth records, improve birth registry data uniformity for improved authentication, and prevention of fraud; funding is from the federal Homeland Security REAL ID Act. The line item is increased by 2.0 FTEs and \$174,000 Gross (\$0 GF/GP) using available carryforward fee revenue to establish a fraud unit in the Vital Records office to monitor vital records activity and detect fraudulent requests, in response to audit deficiencies and to provisions of the federal Intelligence Reform and Terrorism Prevention Act of 2004. Increases of 1.0 FTE and \$155,500 Gross (\$0 GF/GP) are made to the line item to recognize increased fee revenue from a contractual data agreement with Michigan State University to support a Twin Registry and one position; the registry is voluntary and will provide opportunity to participate in twin-related research. An increase of \$75,000 Gross (\$0 GF/GP) is made to the line item to recognize increased fee revenue related to a contractual agreement with Michigan State University to provide vital records data services to support health services research, including infrastructure development and enhanced electronic data linkages.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Public Health Administration line item for FY 2008-09 by \$69,000 Gross (all GF/GP) and eliminates funding for a new initiative to recruit physicians for local public health service to address a shortage, effective July 1, 2009. The line is also reduced by \$30,200 Gross (\$22,700 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Minority Health Grants and Contracts line item for FY 2008-09 by \$225,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for health disparities projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line is also reduced by \$5,700 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Promotion of Healthy Behaviors line item for FY 2008-09 by \$1,700 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Vital Records and Health Statistics line item for FY 2008-09 by \$118,700 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10						
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 106. PUBLIC HEALTH ADMINISTRATION								
Full-time equated classified positions	99.7	102.7	102.7	92.7	92.7	92.7	0.0	92.7
Public health administration--* FTE positions	2,212,300	1,647,300	1,647,300	2,247,300	1,647,300	1,631,300	0	1,631,300
* positions in above line	8.3	8.3	8.3	8.3	8.3	8.3	0.0	8.3
Healthy Michigan fund programs	0	0	0	0	5,000,000	0	0	0
Minority health grants and contracts--* FTE position	1,493,200	1,500,400	1,500,400	1,500,400	600,400	1,100,400	0	1,100,400
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Promotion of healthy behaviors	1,700,000	2,375,900	2,375,900	2,375,900	2,375,900	2,375,900	0	2,375,900
Vital records and health statistics--* FTE positions	11,199,800	10,392,000	10,392,000	10,392,000	10,392,000	10,392,000	0	10,392,000
* positions in above line	88.4	91.4	91.4	81.4	81.4	81.4	0.0	81.4
GROSS APPROPRIATION	16,605,300	15,915,600	15,915,600	16,515,600	20,015,600	15,499,600	0	15,499,600
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from dept of human service	981,600	1,123,900	1,123,900	1,123,900	1,123,900	1,123,900	0	1,123,900
Interdepartmental grant from dept of state	0	1,500,000	1,500,000	0	0	0	0	0
Federal revenues:								
Total federal revenues	6,018,400	3,736,900	3,736,900	5,236,900	5,236,900	5,236,900	0	5,236,900
Special revenue funds:								
Total private revenues	2,000,000	1,700,000	1,700,000	2,000,000	1,700,000	1,700,000	0	1,700,000
Total other state restricted revenues	6,001,100	6,516,000	6,516,000	6,516,000	10,616,000	6,116,000	0	6,116,000
State general fund/general purpose	1,604,200	1,338,800	1,338,800	1,638,800	1,338,800	1,322,800	0	1,322,800

HEALTH POLICY, REGULATION, AND PROFESSIONS

Funds for the Health Systems Administration line item are increased by \$300,000 Gross (all GF/GP) to restore the one-time vacancy savings included in Executive Order 2008-21. Funding for the Health Systems Administration line item are reduced by \$42,000 Gross (all GF/GP) as part of the 10% reduction plan for the Department of Community Health's budget. Funds for the Health Systems Administration line item are reduced by \$2,631,400 Gross to eliminate excess federal revenue authorization (Title XIX Medicaid and Title XVIII Medicare) of \$1.4 million and excess state restricted revenue authorization (health systems fees and collections) of \$1,231,400. Funds for the Health Systems Administration line item are increased by \$115,200 Gross (\$18,900 GF/GP) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Health Systems Administration line item are increased by \$167,600 Gross (\$40,600 GF/GP). Employees' defined contribution retirement costs supporting the Health Systems Administration line item are increased by \$20,600 Gross (\$4,900 GF/GP). Employees' insurance costs supporting the Health Systems Administration line item are increased by \$64,600 Gross (\$15,500 GF/GP).

Funds for the Emergency Medical Services Program State Staff appropriation are increased by \$5,100 Gross (\$2,000 GF/GP) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$14,000 Gross (\$5,600 GF/GP). Employees' defined contribution retirement costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$200 Gross (\$100 GF/GP). Employees' insurance costs supporting the Emergency Medical Services Program State Staff appropriation are increased by \$3,000 Gross (\$1,200 GF/GP). Funds for the Emergency Medical Services Program State Staff appropriation are reduced by \$3,400 Gross (all GF/GP) as part of a 10% reduction plan for the Department of Community Health's budget.

An increase of \$149,100 in radiation safety fee revenue is recognized for the Radiological Health Administration line item. Funds for the Radiological Health Administration line item are increased by \$13,300 Gross (all federal and state restricted revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Radiological Health Administration line item are increased by \$27,600 Gross (all federal and state restricted revenue). Employees' defined contribution retirement costs supporting the Radiological Health Administration line item are increased by \$1,500 Gross (all federal and state restricted revenue). Employees' insurance costs supporting the Radiological Health Administration line item are increased by \$8,800 Gross (all federal and state restricted revenue).

The enacted budget includes no changes for the Emergency Medical Services Grants and Services appropriation.

The FTE positions supporting the Health Professions line item are increased by 7.0 due to the insourcing of the regulatory functions of the Health Professions Recovery Program which is a nondisciplinary treatment-oriented program for impaired health professionals. The funds for the Health Professions line item are increased by \$200,000 Gross (all state restricted revenue) for 2.0 FTE positions to implement the Criminal Background Check Program for health professions. The funds for the Health Professions line item are increased by \$393,500 Gross (all state restricted revenue) for 5.0 FTE positions for the costs associated with the licensing of massage therapists and speech-language pathologists. The funds for the Health Professions line item are increased by \$259,000 Gross (all state restricted revenue) for 3.0 FTE positions to administer the Medical Marijuana Registration Program given approval of Ballot Proposal 08-1 on November 4, 2008 by Michigan voters. This adjustment recognizes costs associated with rules promulgation, application, processing, and issuance of registry ID cards to qualifying patients and caregivers.

Funds for the Health Professions line item are increased by \$73,300 Gross (all federal and state restricted revenue) to finance the cost of a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Health Professions line item are increased by \$105,700 Gross (all federal and state restricted revenue). Employees' defined contribution retirement costs supporting the Health Professions line item are increased by \$13,700 Gross (all federal and state restricted revenue). Employees' insurance costs supporting the Health Professions line item are increased by \$45,300 Gross (all federal and state restricted revenue).

The GF/GP support for the Background Check Program line item is increased by \$2,143,000 to partially replace the loss of health systems fees and collections of \$3,173,900 and federal Medicaid revenue of \$246,700. Funding for the Background Check Program line item is increased by \$800 Gross (all federal revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Background Check Program line item are increased by \$700 Gross (all federal revenue). Employees' defined contribution retirement costs supported by the Background Check Program line item are increased by \$200 Gross (all federal revenue). Employees' insurance costs supported the Background Check Program line item are increased by \$500 Gross (all federal revenue).

Funds for the Health Policy, Regulation, and Professions Administration appropriation are increased by \$16,200 Gross (\$8,900 GF/GP) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefits retirement costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$27,200 Gross (\$9,700 GF/GP). Employees' defined contribution retirement costs supporting the Health

Policy, Regulation, and Professions Administration line item are increased by \$3,400 Gross (\$1,700 GF/GP). Employees' insurance costs supporting the Health Policy, Regulation, and Professions Administration line item are increased by \$10,100 Gross (\$5,000 GF/GP). Funds for the Health Policy, Regulation, and Professions Administration line item are reduced by \$15,500 Gross (all GF/GP) as part of a 10% reduction plan for the Department of Community Health's budget.

Funds for the Nurse Scholarship, Education, and Research Program line item are increased by \$2,400 Gross (all state restricted revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$3,700 Gross (all state restricted revenue). Employees' defined contribution retirement costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$400 Gross (all state restricted revenue). Employees' insurance costs supporting the Nurse Scholarship, Education, and Research Program line item are increased by \$900 Gross (all state restricted revenue). Funds for the Nurse Scholarship, Education, and Research Program line item are increased by \$720,000 Gross (all state restricted revenue) given an increase in the nurse licensure fee from \$2.00 to \$8.00 (Public Act 216 of 2009 - Enrolled HB 5593). Additional fee revenue will support 75 additional nursing faculty training slots.

Funds for the Certificate of Need (CON) Program Administration appropriation are increased by \$9,200 Gross (all state restricted revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the CON Program Administration appropriation are increased by \$14,600 Gross (all state restricted revenue). Employees' defined contribution retirement costs supporting the CON Program Administration appropriation are increased by 1,600 Gross (all state restricted revenue). Employees' insurance costs supporting the CON Program Administration appropriation are increased by \$5,200 Gross (all state restricted revenue). Funds for the CON Program Administration appropriation are increased by \$150,000 Gross (all state restricted revenue) to recognize the Attorney General costs for this program.

Funds for the Rural Health Services line item are increased by \$500 Gross (all federal revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Rural Health Services line item are increased by \$600 Gross (all federal revenue). Employees' defined contribution retirement costs supporting the Rural Health Services line item are increased by \$100 Gross (all federal revenue). Employees' insurance costs supporting the Rural Health Services line item are increased by \$100 Gross (all federal revenue).

The GF/GP and federal match revenue from the State Loan Repayment grant is reduced from \$1,090,800 to \$627,000 for the Michigan Essential Health Provider appropriation which assist primary care providers who practice in medically underserved and health professional shortage areas in the repayment of health education loans.

The federal Medicaid revenue supporting the Primary Care Services line item is increased by \$59,100, with a corresponding decrease in GF/GP, to recognize the increase in the match rate from 60.27% to 63.19%. Funds for the Primary Care Services line item are increased by \$900 Gross (all federal revenue) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supported by the Primary Care Services line item are increased by \$600 Gross (all federal revenue). Employees' defined contribution retirement costs supported by the Primary Care Services line item are increased by \$300 Gross (all federal revenue). Employees' insurance costs supported by the Primary Care Services line item are increased by \$300 Gross (all federal revenue). The Primary Care Services line item includes an allocation of \$100,000 Gross (all GF/GP) for Beaver, Drummond, and Mackinac Island clinics. The DSH payment of \$2,025,000 Gross (\$745,400 GF/GP) to Bronson Methodist Hospital that was included in the Primary Care Services appropriation is eliminated. (Public Act 140 of 2009 restored funding for Bronson Methodist Hospital.)

VETO - The Governor vetoed Section 720 boilerplate language allocating \$75,000 Gross (all GF/GP) to the Helen M. Nickless Volunteer Clinic in Bay City, Michigan.

A new line item is created entitled "Primary Care Services (ARRA)" to recognize a grant of \$130,000 received through the federal American Recovery and Reinvestment Act. The grant funds are to be used for the recruitment and retention of health care profession in under-served communities.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces funding for the Health Systems Administration by \$300,000 Gross (all GF/GP) to recognize one-time vacancy savings.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL ACTIONS

Public Act 122 of 2009 allocates \$150,000 for a new line item appropriation entitled "Health Systems Administration (ARRA)" to recognize federal revenues received through competitive grants enacted under the American Recovery and Reinvestment Act to improve the quality of health care provided in ambulatory surgical centers. The ARRA funds will be used to examine Michigan centers compliance with Medicare health and safety standards particularly as they relate to health care associated infections and steps that can be taken to prevent those infections.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS								
Full-time equated classified positions	403.6	415.6	415.6	420.6	413.6	420.6	0.0	420.6
Health systems administration--* FTE positions	22,649,700	20,686,300	20,686,300	20,686,300	20,386,300	20,644,300	0	20,644,300
* positions in above line	193.6	193.6	193.6	193.6	193.6	193.6	0.0	193.6
Emergency medical services program state staff--*	1,476,100	1,498,400	1,498,400	1,498,400	1,498,400	1,495,000	0	1,495,000
* positions in above line	8.5	8.5	8.5	8.5	8.5	8.5	0.0	8.5
Radiological health administration--* FTE positions	2,747,100	2,947,400	2,947,400	2,947,400	2,947,400	2,947,400	0	2,947,400
* positions in above line	21.4	21.4	21.4	21.4	21.4	21.4	0.0	21.4
Emergency medical services grants and services	660,000	660,000	660,000	660,000	660,000	660,000	0	660,000
Health professions--* FTE positions	23,507,700	24,204,700	24,204,700	24,598,200	24,598,200	24,598,200	0	24,598,200
* positions in above line	130.0	142.0	142.0	147.0	147.0	147.0	0.0	147.0
Background check program--* FTE positions	3,956,400	2,689,900	2,689,900	2,681,000	2,681,000	2,681,000	0	2,681,000
* positions in above line	5.5	5.5	5.5	5.5	(1.5)	5.5	0.0	5.5
Health policy, regulation, and professions administr	2,944,400	3,001,300	3,001,300	3,001,300	3,001,300	2,985,800	0	2,985,800
* positions in above line	25.2	25.2	25.2	25.2	25.2	25.2	0.0	25.2
Nurse scholarship, education, and research progra	990,900	1,718,300	1,718,300	1,718,300	1,718,300	1,718,300	0	1,718,300
* positions in above line	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Certificate of need program administration--* FTE	1,775,100	1,955,700	1,955,700	1,955,700	1,955,700	1,955,700	0	1,955,700
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	0.0	14.0
Rural health services--* FTE positions	1,404,400	1,237,700	1,237,700	1,405,700	1,405,700	1,405,700	0	1,405,700
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Michigan essential health provider	1,952,100	861,300	861,300	1,952,100	861,300	1,325,100	0	1,325,100
Primary care services--* FTE positions	4,241,700	4,168,800	4,168,800	4,518,800	4,243,900	2,318,800	(75,000)	2,243,800
* positions in above line	1.4	1.4	1.4	1.4	1.4	1.4	0.0	1.4
Primary care services (ARRA)	0	0	0	0	0	130,000	0	130,000
GROSS APPROPRIATION	68,305,600	65,629,800	65,629,800	67,623,200	65,957,500	64,865,300	(75,000)	64,790,300
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of trea	116,300	116,300	116,300	116,300	116,300	116,300	0	116,300
Federal revenues:								
Total other federal revenues	26,015,300	24,128,700	24,128,700	24,716,100	24,170,700	23,123,000	0	23,123,000
Federal revenues (ARRA)	0	0	0	0	0	130,000	0	130,000
Special revenue funds:								
Total local revenues	227,700	227,700	227,700	227,700	227,700	227,700	0	227,700
Total private revenues	455,000	455,000	455,000	455,000	455,000	455,000	0	455,000
Total other state restricted revenues	33,762,800	31,222,000	31,222,000	31,606,600	31,606,600	31,606,600	0	31,606,600
State general fund/general purpose	7,728,500	9,480,100	9,480,100	10,501,500	9,381,200	9,206,700	(75,000)	9,131,700

INFECTIOUS DISEASE CONTROL

The AIDS Prevention, Testing, and Care Programs line item receives employee-related economic increases of \$8,100 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$9,200 Gross (\$0 GF/GP) for defined benefit retirement costs, \$1,800 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$4,600 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. The line item is increased by \$2,875,700 Gross (\$0 GF/GP) of private funds authorization to recognize growth in funds received from pharmaceutical manufacturers for rebates on AIDS and HIV medications used by the AIDS Drug Assistance program.

A net \$0 Gross (reduction of \$350,000 GF/GP) fund shift is made to the Immunization Local Agreements line item, replacing \$350,000 of GF/GP funds with additional Pharmaceutical Products Fund monies for GF/GP savings; the Fund originated from the 1998 sale of the Michigan Biologic Products Institute and will be fully expended after FY 2010-11 at the present appropriation level of \$850,000 annually.

The Immunization Program Management and Field Support line item receives employee-related economic increases of \$9,600 Gross (\$1,700 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$13,100 Gross (\$1,600 GF/GP) for defined benefit retirement costs, \$1,900 Gross (\$500 GF/GP) for defined contribution retirement costs, and \$6,000 Gross (\$1,100 GF/GP) for insurance cost increases of 3.2%. The line is reduced by \$3,300 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings.

The Pediatric AIDS Prevention and Control line item receives employee-related economic increases of \$700 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$200 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$300 Gross (\$0 GF/GP) for insurance cost increases of 3.2%.

The Sexually Transmitted Disease Control Local Agreements line item is reduced by \$550,000 Gross (all GF/GP) for GF/GP savings, funding first provided in FY 2008-09 for expanded testing and treatment to address high rates of gonorrhea and chlamydia diseases in targeted high-prevalence counties; the initiative targeted adolescents and young adults, and totaled \$750,000 across 2 line items.

The Sexually Transmitted Disease Control Management and Field Support line item receives employee-related economic increases of \$14,000 Gross (all GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$27,900 Gross (all GF/GP) for defined benefit retirement costs, \$1,700 Gross (all GF/GP) for defined contribution retirement costs, and \$8,200 Gross (all GF/GP) for insurance cost increases of 3.2%. The line is reduced by \$21,500 Gross (all GF/GP), a

reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings. A net \$0 Gross (reduction of \$1,351,000 GF/GP) adjustment is made to the line item, replacing \$1,351,000 of GF/GP funding with \$1,351,000 of state restricted Michigan Health Initiative funding, for GF/GP savings; the funds are available from elimination of the AIDS and Risk Reduction Clearinghouse and Media Campaign funding and line item in the Chronic Disease and Injury Prevention and Health Promotion appropriation unit. The line item is reduced by \$200,000 Gross (all GF/GP) for GF/GP savings, funding first provided in FY 2008-09 for expanded testing and treatment to address high rates of gonorrhea and chlamydia diseases in targeted high-prevalence counties; the initiative targeted adolescents and young adults, and totaled \$750,000 across 2 line items.

A new line item, Infectious Disease Control (ARRA) is established in the appropriation unit to recognize three 1-time federal American Recovery and Reinvestment Act (ARRA) grant awards. A 1-time federal ARRA grant is included of \$2,352,700 Gross (\$0 GF/GP) to support vaccine administration at local health departments and increase child and adult vaccinations. A 1-time federal ARRA grant is included of \$160,000 Gross (\$0 GF/GP) to improve data quality and support epidemiologic analysis of immunization data in the Michigan Care Improvement Registry. A 1-time federal ARRA grant is included of \$310,000 Gross (\$0 GF/GP) for a surveillance and prevention program to reduce healthcare-associated infections in hospitals and in the community.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the AIDS Prevention, Testing, and Care Programs line item for FY 2008-09 by \$21,400 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Immunization Local Agreements line item for FY 2008-09 by \$350,000 Gross (all GF/GP) provided to local health departments for immunization services. The GF/GP was replaced with Pharmaceutical Products Fund carryforward funds in a later transfer. The line item is also reduced by \$437,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for immunization programs. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Immunization Program Management and Field Support line item for FY 2008-09 by \$27,300 Gross (\$3,200 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this

line item. The line item is also reduced by \$81,600 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for immunization programs. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Pediatric AIDS Prevention and Control line item for FY 2008-09 by \$200 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Sexually Transmitted Disease Control Local Agreements line item for FY 2008-09 by \$137,500 Gross (all GF/GP) and eliminates funding for a new initiative to reduce high rates of gonorrhea and chlamydia diseases, effective July 1, 2009.

Executive Order 2009-22 reduces the Sexually Transmitted Disease Control Management and Field Support line item for FY 2008-09 by \$42,500 Gross (all GF/GP) and eliminates funding for a new initiative to reduce high rates of gonorrhea and chlamydia diseases, effective July 1, 2009. The line is also reduced by \$540,400 Gross (all GF/GP) for GF/GP savings, to be replaced with Michigan Health Initiative funds in a later transfer (MHI funds made available by EO 2009-22 AIDS and Risk Reduction Clearinghouse and Media Campaign line item reductions). The line is also reduced by \$29,000 Gross (\$25,400 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09	30-Oct-09
Sec. 108. INFECTIOUS DISEASE CONTROL									
Full-time equated classified positions	51.7	51.7	51.7	51.7	51.7	51.7	0.0	51.7	51.7
AIDS prevention, testing, and care programs--* FTE	38,468,200	41,367,600	41,367,600	41,367,600	41,367,600	41,367,600	0	41,367,600	41,367,600
* positions in above line	12.7	12.7	12.7	12.7	12.7	12.7	0.0	12.7	12.7
Immunization local agreements	13,990,300	13,990,300	13,990,300	13,990,300	12,240,300	13,990,300	0	13,990,300	13,990,300
Immunization program management and field supp	2,008,200	2,038,800	2,038,800	2,038,800	1,683,900	2,035,500	0	2,035,500	2,035,500
* positions in above line	15.0	15.0	15.0	15.0	15.0	15.0	0.0	15.0	15.0
Pediatric AIDS prevention and control--* FTE posit	1,225,200	1,226,400	1,226,400	1,226,400	1,226,400	1,226,400	0	1,226,400	1,226,400
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0	1.0
Sexually transmitted disease control local agreeme	3,910,700	3,360,700	3,360,700	3,910,700	3,360,700	3,360,700	0	3,360,700	3,360,700
Sexually transmitted disease control management &	3,886,200	3,738,000	3,738,000	3,938,000	3,738,000	3,716,500	0	3,716,500	3,716,500
* positions in above line	23.0	23.0	23.0	23.0	23.0	23.0	0.0	23.0	23.0
Infectious disease control (ARRA)	0	0	0	0	0	2,822,700	0	2,822,700	2,822,700
GROSS APPROPRIATION	63,488,800	65,721,800	65,721,800	66,471,800	63,616,900	68,519,700	0	68,519,700	68,519,700
Appropriated from:									
Federal revenues:									
Total other federal revenues	42,077,900	42,128,500	42,128,500	42,128,500	42,128,500	42,128,500	0	42,128,500	42,128,500
Federal revenues (ARRA)	0	0	0	0	0	2,822,700	0	2,822,700	2,822,700
Special revenue funds:									
Total private revenues	7,997,900	10,873,600	10,873,600	10,873,600	10,873,600	10,873,600	0	10,873,600	10,873,600
Total other state restricted revenues	7,834,200	9,185,200	9,185,200	7,834,200	7,080,300	9,535,200	0	9,535,200	9,535,200
State general fund/general purpose	5,578,800	3,534,500	3,534,500	5,635,500	3,534,500	3,159,700	0	3,159,700	3,159,700

LABORATORY SERVICES

The Bovine Tuberculosis line item is eliminated with the elimination of 1.0 FTE and state restricted Michigan Health Initiative funding of \$200,400 Gross (\$0 GF/GP) for GF/GP savings. The funds have been used since FY 2000-01 for laboratory testing and epidemiological surveillance supporting the bovine tuberculosis eradication program. The funds are shifted to the Laboratory Services line item to replace GF/GP used for other services.

The Laboratory Services line item receives employee-related economic increases of \$72,300 Gross (\$48,400 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$156,500 Gross (\$104,000 GF/GP) for defined benefit retirement costs, \$8,000 Gross (\$5,400 GF/GP) for defined contribution retirement costs, and \$47,600 Gross (\$31,600 GF/GP) for insurance cost increases of 3.2%. A reduction of \$350,000 Gross (\$0 GF/GP) of funding from the federal Epidemiology and Laboratory Capacity grant for laboratory activities is recognized. A reduction is made to the line item of \$300,000 Gross (\$0 GF/GP) of funds from the ongoing federal Tuberculosis Control grant for laboratory testing activities as some funding has shifted at the federal level to the federal grant provided directly to the City of Detroit. A net \$0 Gross (\$0 GF/GP) adjustment is made to the line item to correctly recognize \$506,100 of revenue from the Medicaid program for laboratory services as fee revenue rather than federal Medicaid revenue, related to the FY 2007-08 change recognizing the state laboratory as a service provider for blood lead testing done under Medicaid. The line item is increased by \$150,000 Gross (\$0 GF/GP) to recognize additional laboratory test fee revenue from universities, continuation of a funds adjustment made with a transfer in the prior fiscal year. A net \$0 Gross adjustment (reduction of \$200,400 GF/GP) replaces \$200,400 GF/GP used to support laboratory services staff with \$200,400 of state restricted Michigan Health Initiative funding for GF/GP savings; the Michigan Health Initiative funds are available from elimination of funding for bovine tuberculosis program services. For GF/GP savings, GF/GP funding for the line item is reduced by \$380,700 Gross (all GF/GP), a reduction of 4% of the GF/GP appropriation; GF/GP funding in this line item helps to support staffing costs.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces the Laboratory Services line item for FY 2008-09 by \$150,000 Gross (all GF/GP). The GF/GP savings are achieved by shifting funding for administrative costs from GF/GP to increased state restricted revenue received from laboratory fees.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Bovine Tuberculosis line item for FY 2008-09 by \$1,100 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Laboratory Services line item for FY 2008-09 by \$206,400 Gross (\$125,600 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10		
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 109. LABORATORY SERVICES								
Full-time equated classified positions	123.0	123.0	123.0	123.0	123.0	122.0	0.0	122.0
Bovine tuberculosis--* FTE positions	200,400	200,400	200,400	200,400	200,400	0	0	0
* positions in above line	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Laboratory services--* FTE positions	19,035,400	18,439,100	18,439,100	18,819,800	18,439,100	18,439,100	0	18,439,100
* positions in above line	122.0	122.0	122.0	122.0	122.0	122.0	0.0	122.0
GROSS APPROPRIATION	19,235,800	18,639,500	18,639,500	19,020,200	18,639,500	18,439,100	0	18,439,100
Appropriated from:								
Interdepartmental grant revenues:								
Interdepartmental grant from the department of envi	441,200	447,100	447,100	447,100	447,100	447,100	0	447,100
Federal revenues:								
Total federal revenues	2,799,400	1,683,600	1,683,600	1,683,600	1,683,600	1,683,600	0	1,683,600
Special revenue funds:								
Total other state restricted revenues	8,343,200	9,048,100	9,048,100	9,048,100	9,048,100	9,048,100	0	9,048,100
State general fund/general purpose	7,652,000	7,460,700	7,460,700	7,841,400	7,460,700	7,260,300	0	7,260,300

EPIDEMIOLOGY

There are no changes to the AIDS Surveillance and Prevention Program line item.

The Asthma Prevention and Control line item receives employee-related economic increases of \$1,800 Gross (\$1,300 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$700 Gross (\$400 GF/GP) for defined contribution retirement costs, and \$1,200 Gross (\$800 GF/GP) for insurance cost increases of 3.2%. GF/GP funding for the line item is eliminated of \$225,300 Gross (all GF/GP), for GF/GP savings; the funds have been used to support asthma awareness programs in communities and schools, and patient and provider education.

The Bioterrorism Preparedness line item receives employee-related economic increases of \$45,200 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$27,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$12,900 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$27,400 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. Local funding authorization of \$500,000 Gross (\$0 GF/GP) is eliminated from the line item as a technical correction from the prior year budget related to the new federal match requirements for state and local funds on the federal grants.

The Epidemiology Administration line item receives employee-related economic increases of \$27,800 Gross (\$12,800 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$30,700 Gross (\$14,300 GF/GP) for defined benefit retirement costs, \$6,000 Gross (\$2,900 GF/GP) for defined contribution retirement costs, and \$16,700 Gross (\$7,800 GF/GP) for insurance cost increases of 3.2%. Federal funding is reduced by \$300,000 Gross (\$0 GF/GP) to recognize completion of the 5-year federal Maternal and Child Health Special Projects of Regional and National Significance grant for implementation of genetics services to improve genetic health outcomes, funded since FY 2003-04. FTEs are reduced by 1.0 and federal funding is reduced by \$152,900 Gross (\$0 GF/GP) to recognize completion of the 5-year federal National Institutes of Health funding for a study "The Michigan PBB Cohort 30 Years Later: Endocrine Disruptor", for which DCH was a subcontractor to Emory University, funded since FY 2004-05. An increase of \$167,000 Gross (\$0 GF/GP) is made to the line item to recognize a new 5-year federal National Children's Study grant, to enroll, follow, and complete data collection on 5,000 newborn children through age 21 to gain knowledge about childhood conditions, effects of environmental influences, and impact on health outcome, for a nationwide study. The lupus program is transferred to this line item, including 0.3 FTEs and \$1,100,000 (\$0 GF/GP) of federal Lupus Grant funds, from the Chronic Disease Prevention line item in the Chronic Disease and Injury Prevention and Health Promotion appropriation unit, as the funds are primarily used for development of the Michigan Lupus Epidemiology and Surveillance Registry to identify cases of Systemic Lupus Erythematosus (SLE). Increases of 0.3 FTEs and \$50,000 Gross (\$0 GF/GP) are made to recognize fee

revenue from contractual agreements with universities to provide surveillance data for university research. Increase of 1.0 FTE and \$85,000 Gross (\$0 GF/GP) are made to the line item for state functions related to new statutory licensing of body art facilities, supported by license fee revenue (Public Act 149 of 2007). The line item is reduced by \$21,400 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings.

The Lead Abatement Program line item receives employee-related economic increases of \$4,300 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$4,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$1,000 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$3,700 Gross (\$0 GF/GP) for insurance cost increases of 3.2%.

The Methamphetamine Cleanup Fund line item is eliminated with the elimination of \$100,000 Gross (all GF/GP) from the line for GF/GP savings. The funding reimburses local health departments for administrative costs related to property cleanup of illegal methamphetamine laboratories for public health concerns, and has been provided since FY 2006-07.

The Newborn Screening Follow-Up and Treatment Services line item receives employee-related economic increases of \$6,600 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$8,900 Gross (\$0 GF/GP) for defined benefit retirement costs, \$2,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$3,900 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. The line item is increased by \$136,100 Gross (\$0 GF/GP) to reflect additional revenue for program service costs from newborn screening test fees due to the statutorily-authorized annual inflationary increase in the fee, which is currently \$88.18 per newborn screening card. The FTEs in this line item are increased by 1.0 to reflect use of a state rather than a contractual employee for certain ongoing functions and activities.

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

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Asthma Prevention and Control line item for FY 2008-09 by \$55,700 Gross (all GF/GP) and eliminates GF/GP funding for asthma community-based and school-based programs, surveillance, and patient and provider education, effective July 1, 2009. The line item is also reduced by \$3,300 Gross (\$1,300 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Bioterrorism Preparedness line item for FY 2008-09 by \$107,700 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Epidemiology Administration line item for FY 2008-09 by \$74,700 Gross (\$31,700 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Lead Abatement Program line item for FY 2008-09 by \$12,500 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Methamphetamine Cleanup Fund line item for FY 2008-09 by \$40,000 Gross (all GF/GP) and eliminates local public health administrative cost reimbursement related to cleanup of illegal methamphetamine laboratories, effective July 1, 2009.

Executive Order 2009-22 reduces the Newborn Screening Follow-Up and Treatment Services line item for FY 2008-09 by \$18,100 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 110. EPIDEMIOLOGY								
Full-time equated classified positions	129.4	131.0	131.0	131.0	130.0	131.0	0.0	131.0
AIDS surveillance and prevention program	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100	2,254,100	0	2,254,100
Asthma prevention and control--* FTE positions	1,065,100	1,068,800	1,068,800	1,068,800	1,068,800	843,500	0	843,500
* positions in above line	2.6	2.6	2.6	2.6	2.6	2.6	0.0	2.6
Bioterrorism preparedness--* FTE positions	49,292,100	49,405,100	49,405,100	48,905,100	48,905,100	48,905,100	0	48,905,100
* positions in above line	68.6	68.6	68.6	68.6	68.6	68.6	0.0	68.6
Epidemiology administration--* FTE positions	7,103,500	8,133,800	8,133,800	8,133,800	8,133,800	8,112,400	0	8,112,400
* positions in above line	41.7	42.3	42.3	42.3	42.3	42.3	0.0	42.3
Lead abatement program--* FTE positions	2,177,800	2,191,300	2,191,300	2,191,300	2,191,300	2,191,300	0	2,191,300
* positions in above line	7.0	7.0	7.0	7.0	7.0	7.0	0.0	7.0
Methamphetamine cleanup fund	100,000	0	0	100,000	0	0	0	0
Newborn screening follow-up and treatment service	4,534,500	4,692,100	4,692,100	4,692,100	4,692,100	4,692,100	0	4,692,100
* positions in above line	9.5	10.5	10.5	10.5	9.5	10.5	0.0	10.5
Tuberculosis control and prevention	867,000	867,000	867,000	867,000	867,000	867,000	0	867,000
GROSS APPROPRIATION	67,394,100	68,612,200	68,612,200	68,212,200	68,112,200	67,865,500	0	67,865,500
Appropriated from:								
Federal revenues:								
Total federal revenues	59,411,300	60,390,800	60,390,800	60,390,800	60,390,800	60,390,800	0	60,390,800
Special revenue funds:								
Total local revenues	500,000	500,000	500,000	0	0	0	0	0
Total private revenues	25,000	25,000	25,000	25,000	25,000	25,000	0	25,000
Total other state restricted revenues	4,996,900	5,295,200	5,295,200	5,295,200	5,295,200	5,295,200	0	5,295,200
State general fund/general purpose	2,460,900	2,401,200	2,401,200	2,501,200	2,401,200	2,154,500	0	2,154,500

LOCAL HEALTH ADMINISTRATION AND GRANTS

The Implementation of 1993 PA 133, MCL 333.17015 line item appropriation is reduced by \$30,000 Gross (all GF/GP) for GF/GP savings and to reflect actual expenditures. Local health department costs reimbursed under this line item for information materials to a woman seeking an abortion under the Informed Consent Law have generally been less than \$20,000 over the past 5 years.

The Local Health Services line item is reduced by \$120,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds, reducing the total funding available from this line item for local public health training and accreditation by 50%. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Local Public Health Operations line item is reduced by \$535,600 Gross (all GF/GP) for GF/GP savings, reducing funds to local health departments for state and local cost-shared services related to immunizations, infectious disease control, sexually transmitted disease control, food protection, water supply protection and on-site sewage management.

There are no changes to the Medicaid Outreach Cost Reimbursement to Local Health Departments line item.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Implementation of 1993 PA 133, MCL 333.17015 line item for FY 2008-09 by \$30,000 Gross (all GF/GP) for costs incurred by local public health departments for informational materials provided in accordance with the Informed Consent Law to a woman seeking an abortion.

Executive Order 2009-22 reduces the Local Health Services line item by \$55,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for local public health training and accreditation projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Local Public Health Operations line item by \$1,535,600 Gross (all GF/GP) for GF/GP savings, reducing funds to local public health departments for state and local cost-shared services related to

immunizations, infectious disease control, sexually transmitted disease control, food protection, water supply protection and on-site sewage management, effective July 1, 2009.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10		
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS								
			0.0					
Implementation of 1993 PA 133, MCL 333.17015	50,000	50,000	50,000	50,000	50,000	20,000	0	20,000
Local health services	220,000	220,000	220,000	220,000	0	100,000	0	100,000
Local public health operations	40,618,400	40,618,400	40,618,400	45,618,400	41,618,400	40,082,800	0	40,082,800
Medicaid outreach cost reimbursement to local hea	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	0	9,000,000
GROSS APPROPRIATION	49,888,400	49,888,400	49,888,400	54,888,400	50,668,400	49,202,800	0	49,202,800
Appropriated from:								
Federal revenues:								
Total federal revenues	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	0	9,000,000
Special revenue funds:								
Total local revenues	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	0	5,150,000
Total other state restricted revenues	220,000	220,000	220,000	220,000	0	100,000	0	100,000
State general fund/general purpose	35,518,400	35,518,400	35,518,400	40,518,400	36,518,400	34,952,800	0	34,952,800

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

For GF/GP savings, the African-American Male Health Initiative line item is eliminated with elimination of \$106,700 Gross (all GF/GP) funding that supports this community-based chronic disease screening and referral program, funded since FY 1998-99.

The AIDS and Risk Reduction Clearinghouse and Media Campaign line item is eliminated with elimination of the \$1,351,000 Gross (\$0 GF/GP) state restricted Michigan Health Initiative funding that supports this campaign to distribute health promotion materials and air television, radio and billboard health promotion messages pursuant to Part 59 of the Public Health Code, funded since 1987-88. The Michigan Health Initiative funds are shifted to the Sexually Transmitted Disease Control Management and Field Support line item in the Infectious Disease Control appropriation unit to replace GF/GP for GF/GP savings.

The Alzheimer's Information Network line item is reduced by \$290,000 Gross (\$0 GF/GP) with elimination of state restricted Healthy Michigan Funds that support information and referral services for prevention, education, and support for persons with dementia, funded since FY 1998-99. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Cancer Prevention and Control Program line item receives employee-related economic increases of \$12,500 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$8,000 Gross (\$0 GF/GP) for defined benefit retirement costs, \$3,500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$7,400 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. State restricted Healthy Michigan Funding is reduced by \$902,700 (\$0 GF/GP) for cancer prevention and control projects; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues. The line item is reduced by \$12,800 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings.

The Chronic Disease Prevention line item receives employee-related economic increases of \$12,800 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$8,000 Gross (\$0 GF/GP) for defined benefit retirement costs, \$3,600 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$8,100 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. Increases are made to the line item for 2 new federal Michigan Nutrition Network (MNN) grants, anticipated to be ongoing: \$75,000 Gross (\$0 GF/GP) for a new 3-year Nutrition and Physical Activity Education grant, to

improve local physical activity options and access, and educate high-risk populations in low-income communities; and \$700,000 Gross (\$0 GF/GP) and 5.0 FTEs for a new 3-year Shaping Positive Lifestyles and Attitudes through School Health grant for a project with 200 low-income schools to implement quality health education and physical activity for students, family, and staff. State restricted Healthy Michigan Funding is reduced by \$800,000 (\$0 GF/GP) for cardiovascular health projects. Healthy Michigan Funding is eliminated (\$0 GF/GP) for the following projects: \$200,000 for osteoporosis programs funded since FY 1997-98, \$50,000 for arthritis programs funded since FY 2000-01, and \$50,000 for Huntington's Disease programming funded since FY 2006-07. The above are 4 of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues. State GF/GP funding of \$105,000 Gross (all GF/GP) for arthritis programs is also eliminated, for GF/GP savings.

The Diabetes and Kidney Program line item receives employee-related economic increases of \$8,400 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$4,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$2,400 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$5,200 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. State restricted Healthy Michigan Funding is reduced by \$1,510,000 Gross (\$0 GF/GP) for the diabetes program; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Health Education, Promotion, and Research Programs line item receives employee-related economic increases of \$4,500 Gross (all GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$9,700 Gross (all GF/GP) for defined benefit retirement costs, \$500 Gross (all GF/GP) for defined contribution retirement costs, and \$2,400 Gross (all GF/GP) for insurance cost increases of 3.2%.

The Injury Control Intervention Project line item is reduced by \$100,000 Gross (reduction of \$200,000 GF/GP) to the traumatic brain injury pilot treatment model program, for GF/GP savings, including \$100,000 of new federal funding that can be earned as match on the remaining program GF/GP funding. State GF/GP funding of \$104,500 Gross (all GF/GP) is eliminated from the line item, for GF/GP savings, that has been used for child restraint and bicycle safety programs and served as match for federal traumatic brain injury grant funds appropriated in the Mental Health section of the budget.

VETO - The Governor vetoed the Injury Control Intervention Project line item, eliminating \$200,000 Gross (\$100,000 GF/GP) of funding for traumatic brain injury pilot projects.

The Michigan Parkinson's Foundation line item is eliminated with elimination of \$50,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds that support the Michigan Parkinson's Initiative for education and clinical programs for persons with Parkinson's disease and their families, and providers, funded since FY 2006-07 and twice in prior fiscal years. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Morris Hood Wayne State University Diabetes Outreach line item is eliminated with elimination of \$400,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds that support statewide and community outreach programs of the Morris Hood Comprehensive Diabetes Center at Wayne State University, funded since FY 1999-2000. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Physical Fitness, Nutrition, and Health line item is eliminated with elimination of \$700,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds that support a statewide network of local physical fitness, health, and sports councils, a physical fitness curriculum for K-12 school children, teacher training, and sports injury prevention education materials, funded since FY 1994-95. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Public Health Traffic Safety Coordination line item receives employee-related economic increases of \$600 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$200 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$400 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. An increase of \$87,500 Gross (\$0 GF/GP) is made to the line item to recognize a new 4-year federal Translating the Checkpoints grant, under which DCH is a contractor to the grantee University of Michigan, to promote evidence-based parent tools and information to improve a child's training as a new driver.

The Smoking Prevention Program line item receives employee-related economic increases of \$9,400 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$10,500 Gross (\$0 GF/GP) for defined benefit retirement costs, \$2,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$5,900 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. State restricted Healthy Michigan Funding is reduced by \$1,090,000 Gross (\$0 GF/GP) for the smoking prevention program; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due

to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Tobacco Tax Collection and Enforcement line item is eliminated with elimination of \$610,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds granted to the Department of State Police for tobacco tax collection and enforcement activities to discourage illegal purchase or sale of tobacco products, funded since FY 1994-95. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues. Note that the FY 2009-10 Department of State Police budget (Public Act 133 of 2009, Sec. 112) replaces the lost Healthy Michigan Funding with a new appropriation of Merit Award Trust Fund monies.

The Violence Prevention line item receives employee-related economic increases of \$1,400 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$500 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$900 Gross (\$0 GF/GP) for insurance cost increases of 3.2%.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the African-American Male Health Initiative line item for FY 2008-09 by \$42,800 Gross (all GF/GP) and eliminates program funding for community-based chronic disease screening, referral, and outreach for African-American males, effective July 1, 2009.

Executive Order 2009-22 reduces the AIDS and Risk Reduction Clearinghouse and Media Campaign line item for FY 2008-09 by \$540,400 Gross (\$0 GF/GP) of state restricted Michigan Health Initiative (MHI) funds and eliminates funding for health promotion materials, clearinghouse, and media messages, effective July 1, 2009. The MHI funds will replace GF/GP savings in the Sexually Transmitted Disease Control Management and Field Support line item in a later transfer.

Executive Order 2009-22 reduces the Alzheimer's Information Network line item by \$116,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for information and referral services for prevention, education, and support for persons

with dementia. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Cancer Prevention and Control Program line item by \$397,700 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for cancer prevention and control projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$20,300 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Chronic Disease Prevention line item by \$275,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for arthritis, cardiovascular, Huntington's Disease, and osteoporosis projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$39,900 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Diabetes and Kidney Program line item by \$377,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for the diabetes program. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$17,900 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Health Education, Promotion, and Research Programs line item for FY 2008-09 by \$12,700 Gross (\$7,100 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Injury Control Intervention Project line item for FY 2008-09 by \$200,000 Gross (all GF/GP) and reduces funding for new traumatic brain injury pilot programs in hospitals. Remaining funding will be matched with new federal funds reflected in a later transfer.

Executive Order 2009-22 reduces the Michigan Parkinson's Foundation line item by \$20,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for Parkinson's Disease projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Morris Hood Wayne State University Diabetes Outreach line item by \$160,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for diabetes outreach projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Physical Fitness, Nutrition, and Health line item by \$280,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for local physical fitness and curriculum programs and sports injury prevention education materials. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Public Health Traffic Safety Coordination line item for FY 2008-09 by \$2,000 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Smoking Prevention Program line item by \$272,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for smoking prevention projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$24,200 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Tobacco Tax Collection and Enforcement line item by \$152,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for tobacco tax enforcement activities of the Michigan Department of State Police. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The funds are restored directly to the Department of State Police budget using Merit Award Trust Fund monies in a later transfer.

Executive Order 2009-22 reduces the Violence Prevention line item for FY 2008-09 by \$3,600 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION								
Full-time equated classified positions	70.3	75.3	75.3	75.3	75.3	75.3	0.0	75.3
African-American male health initiative	106,700	0	0	106,700	0	0	0	0
AIDS and risk reduction clearinghouse and media c	1,351,000	0	0	1,351,000	0	0	0	0
Alzheimer's information network	389,500	389,500	389,500	389,500	99,500	99,500	0	99,500
Cancer prevention and control program--* FTE posi	15,188,500	15,219,900	15,219,900	15,219,900	13,491,000	14,304,400	0	14,304,400
* positions in above line	12.0	12.0	12.0	12.0	12.0	12.0	0.0	12.0
Chronic disease prevention--* FTE positions	5,683,200	6,190,700	6,190,700	6,490,700	4,492,500	5,285,700	0	5,285,700
* positions in above line	22.7	27.7	27.7	27.7	27.7	27.7	0.0	27.7
Diabetes and kidney program--* FTE positions	4,002,200	4,022,700	4,022,700	4,022,700	1,707,500	2,512,700	0	2,512,700
* positions in above line	12.2	12.2	12.2	12.2	12.2	12.2	0.0	12.2
Health education, promotion, and research program	812,500	829,600	829,600	829,600	829,600	829,600	0	829,600
* positions in above line	6.5	6.5	6.5	6.5	6.5	6.5	0.0	6.5
Injury control intervention project	404,500	104,500	104,500	104,600	304,500	200,000	(200,000)	0
Michigan Parkinson's foundation	50,000	0	0	50,000	0	0	0	0
Morris Hood Wayne State University diabetes outre	400,000	0	0	400,000	0	0	0	0
Physical fitness, nutrition, and health	700,000	0	0	700,000	0	0	0	0
Public health traffic safety coordination--* FTE posi	356,400	445,100	445,100	445,100	445,100	445,100	0	445,100
* positions in above line	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
Smoking prevention program--* FTE positions	5,724,500	5,752,400	5,752,400	5,752,400	2,064,000	4,662,400	0	4,662,400
* positions in above line	14.0	14.0	14.0	14.0	14.0	14.0	0.0	14.0
Tobacco tax collection and enforcement	610,000	610,000	0	610,000	0	0	0	0
Violence prevention--* FTE positions	1,889,800	1,892,900	1,892,900	1,892,900	1,892,900	1,892,900	0	1,892,900
* positions in above line	1.9	1.9	1.9	1.9	1.9	1.9	0.0	1.9
GROSS APPROPRIATION	37,668,800	35,457,300	34,847,300	38,365,100	25,326,600	30,232,300	(200,000)	30,032,300
Appropriated from:								
Federal revenues:								
Total federal revenues	21,309,500	22,288,600	22,288,600	22,288,600	22,288,600	22,388,600	(100,000)	22,288,600
Special revenue funds:								
Total private revenues	146,600	146,600	146,600	146,600	146,600	146,600	0	146,600
Total other state restricted revenues	13,900,500	11,099,500	10,489,500	13,900,500	768,800	5,896,800	0	5,896,800
State general fund/general purpose	2,312,200	1,922,600	1,922,600	2,029,400	2,122,600	1,800,300	(100,000)	1,700,300

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

The Childhood Lead Program line item receives employee-related economic increases of \$3,700 Gross (\$200 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$1,300 Gross (\$500 GF/GP) for defined benefit retirement costs, \$1,100 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$3,000 Gross (\$100 GF/GP) for insurance cost increases of 3.2%. The line item is increased by \$200,000 Gross (\$0 GF/GP) recognizing federal reimbursement funding available from the Medicaid program for local health department blood lead testing and follow-up of children testing positive for blood lead poisoning. State restricted Healthy Michigan Funding is eliminated of \$1,000,000 Gross (\$0 GF/GP) for lead poisoning prevention and lead abatement projects; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Dental Programs line item is increased by \$410,100 Gross (\$0 GF/GP) with the transfer of federal funding from the Special Projects line item of the following 3 grants: \$135,300 Oral Disease Prevention grant, \$160,000 Children's Oral Health Access grant, and \$114,800 Oral Health Workforce Activities grant. Two FTEs are established in the line item supported by the transferred federal grants. The transfer will consolidate ongoing dental and oral health program funds and staff in the budget. The line item is increased by \$219,700 Gross (\$0 GF/GP) and 1.0 FTE to recognize an increase in the ongoing federal Oral Disease Prevention grant. The line item receives employee-related economic increases, related to the newly established FTEs, of \$1,900 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$700 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$1,600 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. A net \$25,000 Gross reduction (increase of \$125,000 GF/GP) is made to the line item for the Donated Dental Program with the elimination of \$150,000 of state restricted Healthy Michigan Funds and replacement with \$125,000 of GF/GP. This is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

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

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

VETO - The Governor vetoed the Early Childhood Collaborative Secondary Prevention line item, eliminating \$524,000 Gross (all GF/GP) of funding for the zero to three early childhood program, a cooperative program with Departments of Human Services and Education (School Aid budget) to assist families of children ages 0-3 at risk

of abuse and neglect, funded since FY 2003-04 and two prior fiscal years. Note that FY 2009-10 School Aid budget funds of \$1,593,800 GF/GP were also vetoed by the Governor, and DHS budget funds were unchanged from the prior fiscal year appropriation of \$3,843,800 federal funds.

The Family, Maternal, and Children's Health Services Administration line item receives employee-related economic increases of \$28,600 Gross (\$16,400 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$54,800 Gross (\$29,300 GF/GP) for defined benefit retirement costs, \$3,800 Gross (\$2,400 GF/GP) for defined contribution retirement costs, and \$16,300 Gross (\$9,800 GF/GP) for insurance cost increases of 3.2%. Funds for newborn and early hearing programs of \$375,000 Gross (\$0 GF/GP) and 3.0 FTEs are transferred to this line item from the Special Projects line item to consolidate programs in the budget, including federal grants for early hearing detection and intervention (\$175,000), and universal newborn hearing screening (\$200,000). Administrative funding of \$316,000 Gross (\$158,000 GF/GP) is restored for staffing; the funding had been eliminated as 1-time savings in FY 2008-09 under Executive Order 2008-21 due to vacancies, but is needed in FY 2009-10 and ongoing. The line item is reduced by \$24,700 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings.

The Family Planning Local Agreements line item is reduced by \$300,000 (all GF/GP) for GF/GP savings, reducing funds available to local health departments and other agencies for family planning services. State restricted Healthy Michigan Funding is eliminated of \$408,100 (\$0 GF/GP) for family planning program services; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Local MCH Services line item is reduced by \$246,100 Gross (\$0 GF/GP), with the elimination of state restricted Healthy Michigan Funds from the line item for local maternal and child health programs; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Migrant Health Care line item is eliminated for GF/GP savings, with elimination of \$272,200 Gross (\$136,100 GF/GP) of funding that supports migrant health care outreach including immunization services, prenatal services, and health education, funded since prior to FY 1970-71. Per the Department, local health departments may receive federal Medicaid reimbursement for local expenditures for Medicaid outreach.

The Pregnancy Prevention Program line item is reduced by 67%, with a reduction of \$3,488,200 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds supporting pregnancy prevention programs and services at local health

departments and other agencies; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Prenatal Care Outreach and Service Delivery Support line item is increased by \$200,000 Gross (\$0 GF/GP) with a transfer of federal matching funds from the Special Projects line item for the Kalamazoo Nurse Family Partnership Program which will provide local match funds, to consolidate all nurse family partnership program funds into one line item.

VETO - The Governor vetoed the Prenatal Care Outreach and Service Delivery Support line item, eliminating \$3,249,300 Gross (\$1,028,900 GF/GP) of funding. The line item supported prenatal support services to low-income and uninsured pregnant women, including nurse family partnership programs, prenatal smoking cessation, and other programs. Related boilerplate sections 1107, 1112, and 1139 were also vetoed.

The School Health and Education Programs line item is increased by 1.0 state employee FTE to reflect use of a state rather than a contractual employee for ongoing program functions and activities. State restricted Healthy Michigan Funding is reduced by \$100,000 Gross (\$0 GF/GP) for the school health and education program; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

The Special Projects line item receives employee-related economic increases of \$4,000 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$1,400 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$2,800 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. The line item is increased by \$1,417,200 Gross (\$0 GF/GP) to recognize restoration of the federal Michigan Abstinence Partnership (MAP) grant for community-based abstinence education, funded previously from FY 2000-01 through FY 2007-08. The line item is reduced by \$450,000 Gross (\$0 GF/GP) to recognize completion of the 5-year federal Fetal Alcohol Syndrome Prevention Investigations and Technical Assistance grant, funded since FY 2003-04. State restricted Healthy Michigan Funding is eliminated of \$1,100,000 Gross (\$0 GF/GP), \$200,000 which supports the nurse family partnership program in Kalamazoo and \$900,000 which supports infant mortality prevention programs; these are two of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues. The line item is reduced by \$200,000 Gross (\$0 GF/GP) with a transfer of federal matching funds to the Prenatal Care Outreach and Service Delivery Support line item for the Kalamazoo Nurse Family Partnership Program which will provide the local match funds, to consolidate all nurse family partnership program funds into one line item. The line is increased by \$125,000 Gross (all GF/GP) for a project with

Henry Ford Health System and the Chaldean Chamber Foundation for research and treatment of colon diseases. Funds from three ongoing federal dental and oral health grants totaling \$410,100 Gross (\$0 GF/GP) are transferred from this line item to the Dental Programs line item to consolidate oral health program funds in the budget, including \$160,000 Children's Oral Healthcare Access grant, \$135,300 Oral Disease Prevention grant, and \$114,800 Oral Health Workforce grant. Appropriations of two ongoing federal newborn and early hearing program grants totaling \$375,000 Gross (\$0 GF/GP) and 3.0 FTEs are transferred from this line item to the Family, Maternal, and Children's Health Services Administration line item to consolidate early hearing program funds and staff in the budget, including \$175,000 Early Hearing Detection and Intervention grant, and \$200,000 Universal Newborn Hearing Screening grant.

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

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21 reduces the Family, Maternal, and Children's Health Services Administration line item for FY 2008-09 by \$316,000 Gross (\$158,000 GF/GP). The 1-time savings are obtained from temporary staffing vacancies.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Childhood Lead Program line item by \$250,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for lead poisoning prevention and lead abatement projects. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$9,100 Gross (\$1,100 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Dental Programs line item by \$37,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for the Donated Dental Program. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Family, Maternal, and Children's Health Services Administration line item for FY 2008-09 by \$78,300 Gross (\$41,500 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Family Planning Local Agreements line item for FY 2008-09 by \$75,000 Gross (all GF/GP) of GF/GP funding to local health departments and agencies for family planning programs. The line item is also reduced by \$102,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for family planning programs and services. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Local MCH Services line item by \$61,500 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for local maternal and child health programs. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Migrant Health Care line item for FY 2008-09 by \$68,000 Gross (\$34,000 GF/GP), and eliminates funding for immunization and prenatal health services, health education, and outreach in areas with high migrant populations, effective July 1, 2009.

Executive Order 2009-22 reduces the Pregnancy Prevention Program line item by \$21,400 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for pregnancy prevention services at local health departments and other agencies. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Prenatal Care Outreach and Service Delivery Support line item for FY 2008-09 by \$202,800 Gross (all GF/GP) and eliminates GF/GP funding for 4 community nurse family partnership programs, effective July 1, 2009. See also Special Projects line item reduction for this program. Federal matching funds are retained for local option to provide matching funds for this program.

Executive Order 2009-22 reduces the School Health and Education Programs line item for FY 2008-09 by \$1,800 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Special Projects line item for FY 2008-09 by \$225,000 Gross (\$0 GF/GP), of state restricted Healthy Michigan Funds (HMF) for infant mortality reduction projects. The line item is also reduced by \$50,000 Gross (\$0 GF/GP) of HMF funds and eliminates funding for one community nurse family partnership program, effective

July 1, 2009. See also Prenatal Care Outreach line item reduction for this program. Federal matching funds are retained for local option to provide matching funds for this program. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22. The line item is also reduced by \$12,500 Gross (all GF/GP) and eliminates funding to the Special Needs Vision Clinic in Saginaw County, effective July 1, 2009. The line item is also reduced by \$10,200 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

FY 2009-10	FY 2008-09	FY 2009-10	FY 2009-10					
P.A. 131 of 2009 (H.B. 4436)	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
DEPARTMENT OF COMMUNITY HEALTH	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES								
Full-time equated classified positions	52.3	56.3	56.3	56.3	55.3	56.3	0.0	56.3
Childhood lead program--* FTE positions	2,557,500	2,766,600	2,766,600	2,766,600	1,766,600	1,766,600	0	1,766,600
* positions in above line	6.0	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Dental programs--* FTE positions	485,400	1,119,400	1,119,400	1,119,400	1,094,400	1,094,400	0	1,094,400
* positions in above line	0.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Dental program for persons with developmental dis	151,000	151,000	151,000	151,000	151,000	151,000	0	151,000
Early childhood collaborative secondary prevention	524,000	0	0	524,000	524,000	524,000	(524,000)	0
Family, maternal, and children's health services adr	4,861,400	5,655,900	5,655,900	5,655,900	5,339,900	5,631,200	0	5,631,200
* positions in above line	40.6	43.6	43.6	43.6	40.6	43.6	0.0	43.6
Family planning local agreements	9,793,800	9,493,800	9,493,800	9,793,800	9,085,700	9,085,700	0	9,085,700
Local MCH services	7,264,200	7,264,200	7,264,200	7,264,200	7,018,100	7,018,100	0	7,018,100
Migrant health care	272,200	272,200	272,200	272,200	272,200	0	0	0
Pregnancy prevention program	5,235,400	5,149,800	5,149,800	5,235,400	602,100	1,747,200	0	1,747,200
Prenatal care outreach and service delivery suppor	3,049,300	1,427,200	1,427,200	3,049,300	3,049,300	3,249,300	(3,249,300)	0
School health and education programs--* FTE posi	500,000	501,500	501,500	501,500	0	400,000	0	400,000
* positions in above line	0.0	1.0	1.0	1.0	0.0	1.0	0.0	1.0
Special projects--* FTE positions	4,017,100	3,757,400	3,757,400	5,182,400	3,157,500	3,032,400	0	3,032,400
* positions in above line	5.7	2.7	2.7	2.7	5.7	2.7	0.0	2.7
Sudden infant death syndrome program	321,300	321,300	321,300	321,300	321,300	321,300	0	321,300
GROSS APPROPRIATION	39,032,600	37,880,300	37,880,300	41,837,000	32,382,100	34,021,200	(3,773,300)	30,247,900
Appropriated from:								
Federal revenues:								
Total federal revenues	25,818,600	26,420,200	26,420,200	27,431,300	27,071,800	27,293,700	(2,220,400)	25,073,300
Special revenue funds:								
Total local revenues	75,000	75,000	75,000	75,000	75,000	75,000	0	75,000
Total other state restricted revenues	8,037,500	7,751,900	7,751,900	8,037,500	0	1,545,100	0	1,545,100
State general fund/general purpose	5,101,500	3,633,200	3,633,200	6,293,200	5,235,300	5,107,400	(1,552,900)	3,554,500

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

The Women, Infants, and Children Program Administration and Special Projects line item receives employee-related economic increases of \$27,900 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$52,100 Gross (\$0 GF/GP) for defined benefit retirement costs, \$3,800 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$15,900 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. The line item is increased by \$500,000 Gross (\$0 GF/GP) to recognize an increase in the federal WIC Food Program Grant award for WIC program state administration costs.

The Women, Infants, and Children Program Local Agreements and Food Costs line item is increased by \$34,661,200 Gross (\$0 GF/GP) to recognize an increase in the federal WIC Food Program Grant award for food and services through the local programs, to respond to rising food costs and caseloads.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Women, Infants, and Children Program Administration and Special Projects line item for FY 2008-09 by \$71,200 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09	30-Oct-09
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM									
Full-time equated classified positions	43.0	43.0	43.0	43.0	43.0	43.0	0.0	43.0	43.0
Women, infants, and children program administrative	8,955,100	9,554,800	9,554,800	9,554,800	9,554,800	9,554,800	0	9,554,800	9,554,800
* positions in above line	43.0	43.0	43.0	43.0	43.0	43.0	0.0	43.0	43.0
Women, infants, and children program local agreement	201,845,500	236,506,700	236,506,700	236,506,700	236,506,700	236,506,700	0	236,506,700	236,506,700
GROSS APPROPRIATION	210,800,600	246,061,500	246,061,500	246,061,500	246,061,500	246,061,500	0	246,061,500	246,061,500
Appropriated from:									
Federal revenues:									
Total federal revenues	157,556,300	192,815,400	192,815,400	192,815,400	192,815,400	192,815,400	0	192,815,400	192,815,400
Special revenue funds:									
Total private revenues	53,244,300	53,246,100	53,246,100	53,246,100	53,246,100	53,246,100	0	53,246,100	53,246,100
State general fund/general purpose	0	0	0	0	0	0	0	0	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES

The Children's Special Health Care Services (CSHCS) Administration line item receives employee-related economic increases of \$25,800 Gross (\$14,000 GF/GP) for salary and wages, \$58,200 Gross (\$31,500 GF/GP) for defined benefit retirement costs, and \$2,400 Gross (\$1,300 GF/GP) for increased defined contribution retirement costs. An increase of \$16,500 Gross (\$8,900 GF/GP) is made to reflect additional insurance costs. The salary and wage adjustment is an increase of 1% effective October 1, 2009. Included is \$284,000 of federal authorization to recognize a new Health Resources and Services grant to promote community integration for CSHCS programs. Transferred-out to the Bequest for Care and Services line are 2.8 FTEs. A reduction of \$24,900 GF/GP is the result of implementing a 1% funding reduction which was part of an Executive proposal.

The Amputee Program line item is eliminated shifting the Maternal and Child Health federal funding of \$184,600 to the Medical care and Treatment line.

The Bequests for Care and Services line appropriated positions are increased 2.8 ftes to reflect actual funded positions.

There are no appropriation changes to the Outreach and Advocacy line item.

The Nonemergency Medical Transportation line item is increased \$1,219,000 Gross (\$856,500 GF/GP) to support a mileage rate reimbursement increase for CSHCS volunteers and beneficiaries. A reduction of \$1,183,600 GF/GP reflects elimination of nonemergency medical transportation services to non-Medicaid eligible CSHCS recipients. This action impacts families with incomes 200% of the federal poverty level but above Medicaid income thresholds.

The Medical Care and Treatment line is increased by \$21,990,400 Gross (\$10,987,000 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Federal funds within the line item are increased by \$17,312,700 while GF/GP revenues are decreased an identical amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is reduced \$1,081,800 Federal Maternal and Child Health (MCH) grant funds reflecting the amount that is available. Due to the elimination of the Amputee Program line the \$184,600 of MCH funds that had fully supported the line are transferred to this line and offset an equal amount of GF/GP. Federal Medicaid match authorization is increased by \$3.9 million. The line is reduced \$2,083,300 GF/GP recognizing annualized FY 2008-09 savings from Title V drug rebates.

Funding is increased by \$11,373,200 of federal Title XIX Medicaid in the Children's Special Health Care Services program

to expand primary care coverage for disabled children in households with income between 200% and 300% of the federal poverty level. This would cover an estimated 4,000 more children. Savings of \$1,468,600 GF/GP are realized in the line by increasing the minimum parent participation fee in the CSHCS program from \$12 to \$15 per month. The line is reduced \$1,486,600 Gross (\$856,500 GF/GP) representing hospital emergency room savings generated due to the increased mileage reimbursement rate provided to beneficiaries and volunteers. The reasoning is that the more accessible primary care providers are, the lower the use of emergency rooms. The line is reduced \$3,833,000 Gross (\$1,504,200 GF/GP) reflecting a 4% provider rate reduction.

Reduces funding by \$1,098,200 GF/GP to reflect elimination of diaper and incontinence supplies for non-Medicaid eligible CSHCS recipients. Transfers in \$18,903,700 Gross (\$5,053,100 GF/GP) from the Medical Services unit which represents remaining medical costs for recipients within the CSHCS program.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21, approved by the House and Senate Appropriations Committees on December 10, 2008, reduces the Medical Care and Treatment line item by \$2,916,700 GF/GP which is offset by additional pharmaceutical rebates generated by federal Title V program drug expenditures. The same line is reduced \$6,169,400 GF/GP due to a revised caseload projection in the Children's Special Health Care Services program.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22, approved by the House and Senate Appropriations Committees on May 5, 2009, reduces the FY 2008-09 Medical Care and Treatment line by \$275,000 GF/GP. The savings would be generated by an earlier enactment of the FY 2009-10 Executive proposed increase of the Children's Special Health Care Services program parent participation fee beginning July 1, 2009. The offsetting fee increase revenue is accomplished by a transfer action. Also included is a reduction of \$81,200 Gross (\$40,700) representing state employee furlough day savings.

PUBLIC ACT 79 of 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 79 of 2009 increases the Medical Care and Treatment line item \$14,983,200 Gross (\$7,521,600 GF/GP) for Medicaid caseload estimate adjustments.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 122 of 2009 incorporates into the Medical Care and Treatment line the effect of the American Reinvestment and Recovery Act of 2009 (ARRA). As a result of the ARRA, Michigan's federal Medicaid FMAP rate for FY 2008-09 is increased from 60.27% to 69.58% for the first two fiscal quarters and to 70.68% for the last two quarters. Due to this greater participation in the Medicaid program by the federal government, GF/GP within this line is decreased by \$16,563,600 and the federal authorization is increased by a like amount.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES								
Full-time equated classified positions	47.8	47.8	47.8	47.8	47.8	47.8	0.0	47.8
Children's special health care services administrati	4,540,100	4,927,000	4,927,000	4,927,000	4,927,000	4,902,100	0	4,902,100
* positions in above line	47.8	45.0	45.0	45.0	47.8	45.0	0.0	45.0
Amputee program	184,600	184,600	184,600	184,600	184,600	0	0	0
Bequests for care and services--* FTE positions	1,514,600	1,514,600	1,514,600	1,514,600	1,514,600	1,514,600	0	1,514,600
* positions in above line	0.0	2.8	2.8	2.8	0.0	2.8	0.0	2.8
Outreach and advocacy	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	3,773,500	0	3,773,500
Non-emergency medical transportation	1,492,200	2,711,200	2,711,200	2,711,200	2,711,200	1,527,600	0	1,527,600
Medical care and treatment	184,668,100	203,782,100	203,782,100	203,782,100	219,815,900	231,455,100	0	231,455,100
GROSS APPROPRIATION	196,173,100	216,893,000	216,893,000	216,893,000	232,926,800	243,172,900	0	243,172,900
Appropriated from:								
Federal revenues:								
Total other federal revenues	102,085,400	124,765,900	124,765,900	124,765,900	133,115,900	141,515,900	0	141,515,900
Federal FMAP stimulus (ARRA)	0	9,250,500	9,250,500	16,174,800	16,174,800	19,218,200	0	19,218,200
Special revenue funds:								
Total private revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Total other state restricted revenues	2,295,300	3,396,900	3,396,900	3,396,900	4,496,900	3,837,000	0	3,837,000
State general fund/general purpose	90,792,400	78,479,700	78,479,700	71,555,400	78,139,200	77,601,800	0	77,601,800

OFFICE OF DRUG CONTROL POLICY

OFFICE OF DRUG CONTROL POLICY (Unit Eliminated)

This appropriation unit is eliminated with the abolishment of the Office of Drug Control Policy pursuant to Executive Order 2009-2 effective October 1, 2009, and the transfer of programs and staff to the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit. The Office of Drug Control Policy was originally established by Executive Order 1991-20.

The Drug Control Policy line item receives employee-related economic increases of \$10,900 Gross (all GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$13,000 Gross (all GF/GP) for defined benefit retirement costs, \$2,300 Gross (all GF/GP) for defined contribution retirement costs, and \$5,300 Gross (all GF/GP) for insurance cost increases of 3.2%. The line item is reduced by \$413,800 Gross (all GF/GP) and 4.5 FTEs, with the elimination of all GF/GP funding for the Office of Drug Control Policy and related FTEs, for GF/GP savings. The line item is eliminated with the transfer of the remaining funding of \$1,372,000 Gross (\$0 GF/GP) and 10.5 FTEs to the Mental Health/Substance Abuse Program Administration line item in the Mental Health/Substance Abuse Services Administration and Special Projects appropriation unit, where the remaining functions of the Office will be carried out.

The Anti-Drug Abuse Grants line item is eliminated with the transfer of \$8,575,000 Gross (\$0 GF/GP) of federal grant funds to a new Anti-Drug Abuse Grants line item in the Mental Health/Substances Abuse Services Administration and Special Projects appropriation unit, where the remaining functions of the Office of Drug Control Policy will be carried out.

The Interdepartmental Grant to Judiciary for Drug Treatment Courts line item is eliminated with the transfer of \$1,800,000 Gross (\$0 GF/GP) of federal Byrne Justice Assistance grant funds to a new Interdepartmental Grant to Judiciary for Drug Treatment Courts line item in the Mental Health/Substances Abuse Services Administration and Special Projects appropriation unit, where the remaining functions of the Office of Drug Control Policy will be carried out.

FY 2008-09 SUPPLEMENTAL ACTIONS

PUBLIC ACT 7 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 7 creates a new line item, Byrne Justice Assistance Grants (ARRA), and appropriates \$41,199,000 Gross (\$0 GF/GP) to recognize additional federal Byrne formula grants funds available for state and local programs to prevent and control crime. The funds are available under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Drug Control Policy line item for FY 2008-09 by \$18,000 Gross (\$2,600 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

FY 2009-10	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
DEPARTMENT OF COMMUNITY HEALTH	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
OFFICE OF DRUG CONTROL POLICY								
Full-time equated classified positions	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drug control policy--* FTE positions	1,754,300	0	0	0	0	0	0	0
* positions in above line	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Anti-drug abuse grants	8,575,000	0	0	0	0	0	0	0
Interdepartmental grant to judiciary for drug treatme	1,800,000	0	0	0	0	0	0	0
GROSS APPROPRIATION	12,129,300	0	0	0	0	0	0	0
Appropriated from:								
Federal revenues:								
Total federal revenues	11,747,000	0	0	0	0	0	0	0
Special revenue funds:								
Total other state restricted revenues	0	0	0	0	0	0	0	0
State general fund/general purpose	382,300	0	0	0	0	0	0	0

**CRIME VICTIM
SERVICES COMMISSION**

CRIME VICTIM SERVICES COMMISSION

The Grants Administration Services line item receives employee-related economic increases of \$5,900 Gross (\$0 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$12,300 Gross (\$0 GF/GP) for defined benefit retirement costs, \$600 Gross (\$0 GF/GP) for defined contribution retirement costs, and \$4,400 Gross (\$0 GF/GP) for insurance cost increases of 3.2%. An increase is made to the line item of \$80,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies and 1.0 FTE for administrative costs related to implementation of new statutory provisions allowing reimbursement to health care providers for victim forensic exams related to sexual assault, as provided under Acts 390 and 391 of the Public Acts of 2008.

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

The Crime Victim Rights Services Grants line item is increased by \$1,500,000 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies for crime victim compensation awards related to implementation of new statutory provisions allowing reimbursement to health care providers for victim forensic exams related to sexual assault, as provided under Acts 390 and 391 of the Public Acts of 2008. This increase is based on an estimated 2,500 claims awarded at the statutory maximum of \$600, about half of the actual cost of an exam.

The Crime Victim's Rights Fund Revenue to Michigan State Police line item is increased by \$22,900 Gross (\$0 GF/GP) of state restricted Crime Victim's Rights Fund monies as an adjustment for economics costs related to Michigan Department of State Police programs supported by this line item: sex offender registry, Amber Alert missing child notification system, and forensic science expert witness testimony. Expenditure of the funds appropriated in this line item will require statutory amendment to extend or eliminate the sunset provision regarding the use of Crime Victim's Rights Fund monies for these programs, as offered in House Bill 5666.

There are no changes to the Crime Victim's Rights Fund Revenue to Department of Human Services line item. Expenditure of the funds appropriated in this line item will require statutory amendment to extend or eliminate the sunset provision regarding the use of Crime Victim's Rights Fund monies for these programs, as offered in House Bill 5666.

FY 2008-09 SUPPLEMENTAL ACTIONS

PUBLIC ACT 7 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 7 creates a new line item, Justice Assistance Grants (ARRA), and appropriates \$1,162,000 Gross (\$0 GF/GP) to recognize additional crime victim justice assistance formula grant funds available for direct services to crime victims, including counseling, advocacy, therapy, shelter and referral. The funds are available under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

Public Act 7 creates a new line item, Crime Victim Rights Services Grants (ARRA), and appropriates \$356,000 Gross (\$0 GF/GP) to recognize additional federal compensation formula grant funds available for compensation to crime victims who suffer bodily injury. The funds are available under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Grants Administration Services line item for FY 2008-09 by \$14,100 Gross (\$0 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

FY 2009-10	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
P.A. 131 of 2009 (H.B. 4436)	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
DEPARTMENT OF COMMUNITY HEALTH	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 116. CRIME VICTIM SERVICES COMMISSION								
Full-time equated classified positions	10.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Grants administration services--* FTE positions	1,395,000	1,498,200	1,498,200	1,498,200	1,498,200	1,498,200	0	1,498,200
* positions in above line	10.0	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Justice assistance grants	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	0	13,000,000
Crime victim rights services grants	11,000,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	0	12,500,000
Crime victim's rights fund revenue to Michigan state	1,030,400	1,053,300	1,053,300	1,053,300	1,053,300	1,053,300	0	1,053,300
Crime victim's rights fund revenue to department of	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	0	1,300,000
GROSS APPROPRIATION	27,725,400	29,351,500	29,351,500	29,351,500	29,351,500	29,351,500	0	29,351,500
Appropriated from:								
Federal revenues:								
Total federal revenues	15,050,500	15,055,300	15,055,300	15,055,300	15,055,300	15,055,300	0	15,055,300
Special revenue funds:								
Total other state restricted revenues	12,674,900	14,296,200	14,296,200	14,296,200	14,296,200	14,296,200	0	14,296,200
State general fund/general purpose	0	0	0	0	0	0	0	0

**OFFICE OF SERVICES
TO THE AGING**

OFFICE OF SERVICES TO THE AGING

There are no changes to the Commission (Per Diem \$50.00) line item.

The Office of Services to Aging Administration line item receives employee-related economic increases of \$27,100 Gross (\$12,900 GF/GP) for a 1% salary and wage increase effective October 1, 2009, \$46,800 Gross (\$22,300 GF/GP) for defined benefit retirement costs, \$4,200 Gross (\$2,000 GF/GP) for defined contribution retirement costs, and \$14,800 Gross (\$7,100 GF/GP) for insurance cost increases of 3.2%. A net \$0 adjustment is made to the line item of \$0 Gross (\$0 GF/GP), and an FTE increase of 1.0, to shift \$160,000 of the cost of the state long-term care ombudsman functions from federal Medicaid funding to available funds in the Civil Monetary Penalty Fund (penalty funds from nursing home noncompliance with medical services certification regulations), following federal determination that this function cannot be supported by federal Medicaid funding. The line item is increased by \$1,324,300 Gross (\$0 GF/GP) and 7.0 FTEs with the transfer of a portion of the functions, funding, and staff from the Office of Long-Term Care and Supports and Services line item, including two federal grants, the CMS State Profile grant and the Long Term Care System Transformation grant; the Office of Long-Term Care Supports and Services was abolished by Executive Order 2009-3 effective October 1, 2009. The line item is reduced by \$20,100 Gross (all GF/GP), a reduction of administrative GF/GP of approximately 1% taken in 16 DCH administration line items for savings.

The Community Services line item is increased by \$320,000 Gross (\$0 GF/GP) to recognize a new 2-year federal Nursing Home Diversion grant to establish pilot programs targeting community and caregiver services for persons at risk of nursing home placement but not eligible for Medicaid, to help them avoid nursing home placement and Medicaid spend-down, using single point of entry systems. The line item is also increased by \$220,000 Gross (\$0 GF/GP) to recognize a new 3-year federal Alzheimer's and Dementia grant to implement evidence-based programs for dementia caregivers in five areas of the state. A net \$0 adjustment is made to the line item of \$0 Gross (\$0 GF/GP) to shift \$200,000 of the cost of local long-term care ombudsman functions from federal Medicaid funding to available funds in the Civil Monetary Penalty Fund (penalty funds from nursing home noncompliance with medical services certification regulations), following federal determination that this function cannot be supported by federal Medicaid funding. The line item is reduced by 14% of GF/GP funding in the line, \$2,147,600 Gross (all GF/GP), for community services programs for seniors, for GF/GP savings; GF/GP funding in this line item supports area agency on aging (AAA) administration, access services, local long-term care ombudsman, alternative care, care management, and in-home services.

The Nutrition Services line item is increased by \$25,000 Gross (\$0 GF/GP) of private funds to reflect an estimated increase in private contributions collected by county cooperative extension agencies to support Senior Project FRESH

Farmer's Market Nutrition Program, and for expansion of Senior Project FRESH to additional counties. The line item is reduced by 14% of GF/GP funding in the line, \$1,610,000 Gross (all GF/GP), for congregate meals and home-delivered meals for seniors and for AAA administration of senior nutrition services, for GF/GP savings. State restricted Healthy Michigan Funding is eliminated of \$167,000 (\$0 GF/GP) for senior meals and nutrition programs; this is one of 24 HMF-funded projects eliminated or reduced by a total of \$14.1 million due to a shift of \$10.6 million of HMF funds from prevention projects to Medicaid for GF/GP savings and a \$3.5 million drop in total HMF revenues.

VETO - The Governor vetoed Section 1419 and eliminates \$120,100 Gross (all GF/GP) from the Nutrition Services line item appropriation, which had been allocated by Section 1419 for the Michigan Agricultural Surplus System.

The Foster Grandparent Volunteer Program line item is reduced by 14%, with a reduction of \$385,900 Gross (all GF/GP), for GF/GP savings.

The Retired and Senior Volunteer Program line item is reduced by 14%, with a reduction of \$108,400 Gross (all GF/GP), for GF/GP savings.

The Senior Companion Volunteer Program line item is reduced by 14%, with a reduction of \$277,400 Gross (all GF/GP), for GF/GP savings.

The Employment Assistance line item is increased by \$236,200 Gross (\$0 GF/GP) to recognize increased funding from the ongoing federal Department of Labor Senior Employment Assistance grant, for minimum wage adjustments.

The Senior Olympics line item is eliminated with the elimination of \$100,000 Gross (all GF/GP) of funding, for GF/GP savings. This line item funding was new in FY 2008-09, but had also previously been funded in Fiscal Year 1999-2000 through Fiscal Year 2001-02 (FY 2001-02 vetoed by Governor).

The Respite Care Program line item is reduced by \$531,300 Gross (\$0 GF/GP) of state restricted Merit Award Trust Fund monies, and the funds shifted to Medicaid for GF/GP savings.

FY 2008-09 SUPPLEMENTAL ACTIONS

PUBLIC ACT 7 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 7 creates a new line item, Nutrition Services (ARRA), and appropriates \$3,200,000 Gross (\$0 GF/GP) to recognize additional federal grant funds available for nutrition and meals programs for seniors provided through area agencies on aging. The funds are available under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

Public Act 7 creates a new line item, Employment Assistance (ARRA), and appropriates \$792,000 Gross (\$0 GF/GP) to recognize additional federal funding for the Senior Community Service Employment Program of subsidized part-time employment for low-income seniors, to expand the number of employment positions that are supported under the program. The funds are available under the federal American Recovery and Reinvestment Act (ARRA) of 2009.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces the Office of Services to Aging Administration line item for FY 2008-09 by \$69,900 Gross (\$18,900 GF/GP) to recognize savings related to six unpaid furlough days for employees supported by this line item.

Executive Order 2009-22 reduces the Community Services line item for FY 2008-09 by \$661,900 Gross (all GF/GP) of GF/GP funding to area agencies on aging for adult day care, respite, elder abuse, and care management services for low-income non-Medicaid seniors, effective July 1, 2009.

Executive Order 2009-22 reduces the Nutrition Services line item for FY 2008-09 by \$479,400 Gross (all GF/GP) of GF/GP funding to area agencies on aging for home delivered meals and congregate meals for seniors, and nutrition counseling, effective July 1, 2009. The line item is also reduced by \$167,000 Gross (\$0 GF/GP) of state restricted Healthy Michigan Funds for meals and nutrition services. The HMF savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings in EO 2009-22.

Executive Order 2009-22 reduces the Foster Grandparent Volunteer Program line item for FY 2008-09 by \$119,600 Gross (all GF/GP) of funding to local agencies for this program, effective July 1, 2009.

Executive Order 2009-22 reduces the Retired and Senior Volunteer Program line item for FY 2008-09 by \$33,600 Gross (all GF/GP) of funding to local agencies for this program, effective July 1, 2009.

Executive Order 2009-22 reduces the Senior Companion Volunteer Program line item for FY 2008-09 by \$85,900 Gross (all GF/GP) of funding to local agencies for this program, effective July 1, 2009.

Executive Order 2009-22 reduces the Senior Olympics line item for FY 2008-09 by \$20,000 Gross (all GF/GP) and eliminates new funding to support Senior Olympics programs, effective July 1, 2009.

Executive Order 2009-22 reduces the Respite Care Program line item for FY 2008-09 by \$212,500 Gross (\$0 GF/GP) of state restricted Merit Award Trust Fund monies for respite care services for seniors. The Merit Award Trust Fund savings are appropriated to Medicaid in a later supplemental to offset Medicaid GF/GP savings from EO 2009-22.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 122 increases the Community Services line item by \$80,000 Gross (\$0 GF/GP) to recognize enhanced federal Medicaid FMAP matching funds for locally-funded targeted case management services for seniors provided by local area agencies on aging. The increased funds are available from the federal American Recovery and Reinvestment Act (ARRA) of 2009.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 117. OFFICE OF SERVICES TO THE AGING								
Full-time equated classified positions	36.5	37.5	37.5	37.5	37.5	44.5	0.0	44.5
Commission (per diem \$50.00)	10,500	10,500	10,500	10,500	10,500	10,500	0	10,500
Office of services to aging administration--* FTE positions in above line	5,363,400	5,456,300	5,456,300	5,456,300	5,456,300	6,760,500	0	6,760,500
Community services	36,104,200	35,569,100	35,569,100	36,644,200	35,569,200	34,496,600	0	34,496,600
Nutrition services	37,922,500	37,250,300	37,250,300	37,947,500	37,083,300	36,170,500	(120,100)	36,050,400
Foster grandparent volunteer program	2,813,500	2,639,600	2,639,600	2,813,500	2,639,600	2,427,600	0	2,427,600
Retired and senior volunteer program	790,200	741,300	741,300	790,200	741,300	681,800	0	681,800
Senior companion volunteer program	2,021,200	1,896,300	1,896,300	2,021,200	1,896,300	1,743,800	0	1,743,800
Employment assistance	3,213,300	3,449,500	3,449,500	3,449,500	3,449,500	3,449,500	0	3,449,500
Senior Olympics	100,000	0	0	0	0	0	0	0
Respite care program	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,268,700	0	6,268,700
GROSS APPROPRIATION	95,138,800	93,812,900	93,812,900	95,932,900	93,646,000	92,009,500	(120,100)	91,889,400
Appropriated from:								
Federal revenues:								
Total federal revenues	53,414,800	53,879,600	53,879,600	53,879,600	53,879,600	55,203,900	0	55,203,900
Special revenue funds:								
Total private revenues	152,000	537,000	537,000	537,000	537,000	537,000	0	537,000
Merit award trust fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	4,468,700	0	4,468,700
Total other state restricted revenues	1,967,000	1,967,000	1,967,000	1,967,000	1,800,000	1,800,000	0	1,800,000
State general fund/general purpose	34,605,000	32,429,300	32,429,300	34,549,300	32,429,400	29,999,900	(120,100)	29,879,800

MEDICAL SERVICES

MICHIGAN FIRST HEALTHCARE PLAN

The authorization for the Michigan First Healthcare Plan is eliminated as it is unlikely the waiver requesting the program will be granted by the federal government.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10
	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10	
	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	
FY 2009-10									
P.A. 131 of 2009 (H.B. 4436)									
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09	
MICHIGAN FIRST HEALTHCARE PLAN									
Michigan first healthcare plan	100,000,000	0	0	0	0	0	0	0	0
GROSS APPROPRIATION	100,000,000	0	0	0	0	0	0	0	0
Appropriated from:									
Federal revenues:									
Total federal revenues	100,000,000	0	0	0	0	0	0	0	0
State general fund/general purpose	0	0	0	0	0	0	0	0	0

MEDICAL SERVICES ADMINISTRATION

The Medical Services Administration line is increased \$68,600 Gross (\$34,300 GF/GP) to offset one-time vacancy savings that were removed by Executive Order 2008-21 in FY 2008-09. The line's authorized FTEs are increased by 2.0, representing two positions responsible for Health Information Technology activities. Line FTEs are increased by 1.0, representing one position responsible for ambulance quality assurance assessment program (QAAP) activities. The line is increased by \$100,000 federal recognizing a new federal grant, Reducing Disparities at the Practice Site.

The line item receives employee-related economic increases of \$229,400 Gross (\$89,500 GF/GP) reflecting a annualized 1% salary and wage increase effective October 1, 2009, \$411,700 Gross (\$160,600 GF/GP) for defined benefit retirement costs, and \$1,300 Gross (\$500 GF/GP) for increased defined contribution retirement costs, and an increase of \$146,500 Gross (\$57,100 GF/GP) is made to reflect an increase in insurance costs. The line is decreased \$20,200 GF/GP resulting from the implementation of a 1% administrative reduction which was part of an Executive reduction plan. The line is also reduced by \$1.6 million Gross (\$400,000 GF/GP) due to the reduction of the Michigan Public Health Institute contract. The line is reduced \$260,000 Gross (\$65,000 GF/GP) resulting from annualizing FY 2008-09 eligibility verification savings. Funding of \$150,000 Gross (\$75,000 GF/GP) is included to expand the current prescription drug website.

VETO - The Governor vetoed Section 285 boilerplate language eliminating \$150,000 Gross (\$75,000 GF/GP) for the costs associated with expanding the prescription drug website.

There are no appropriation changes to the Facility Inspection Contract line item.

For the MIChild Administration line no changes were adopted.

The Health Information Technology Initiatives line item is eliminated with resulting savings of \$5.0 million GF/GP.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21, approved by the House and Senate Appropriations Committees on December 10, 2008, reduces the FY 2008-09 Medical Services Administration line item by \$1,519,900 Gross (\$406,600 GF/GP) with savings realized through various administrative efficiencies.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22, approved by the House and Senate Appropriations Committees on May 5, 2009, reduces the Health Information Technology Initiatives line by \$1,072,600 GF/GP as a result of eliminating the available balance for FY 2008-09. This assumes 3 months of savings from the unallocated amount of \$4.3 million GF/GP. Also included is a reduction of \$673,800 Gross (\$272,900) representing state employee furlough day savings.

	FY 2008-09	FY 2009-10						
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 118. MEDICAL SERVICES ADMINISTRATION								
Full-time equated classified positions	377.0	380.0	380.0	380.0	380.0	379.0	(1.0)	378.0
Medical services administration--* FTE positions	60,750,000	61,707,500	61,707,500	61,707,600	61,638,900	59,977,300	(150,000)	59,827,300
* positions in above line	377.0	380.0	380.0	378.0	378.0	379.0	(1.0)	378.0
Facility inspection contract	132,800	132,800	132,800	132,800	132,800	132,800	0	132,800
MICHild administration	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	4,327,800	0	4,327,800
Health information technology initiatives--* FTE pos	5,000,000	0	0	5,000,000	0	0	0	0
* positions in above line	0.0	0.0	0.0	2.0	2.0	0.0	0.0	0.0
GROSS APPROPRIATION	70,210,600	66,168,100	66,168,100	71,168,200	66,099,500	64,437,900	(150,000)	64,287,900
Appropriated from:								
Federal revenues:								
Total federal revenues	45,216,900	45,829,600	45,829,600	45,829,600	45,795,300	44,509,600	(75,000)	44,434,600
Special revenue funds:								
Total local revenues	5,000	5,000	5,000	5,000	5,000	5,000	0	5,000
Total other state restricted revenues	95,000	97,800	97,800	97,800	97,800	97,800	0	97,800
State general fund/general purpose	24,893,700	20,235,700	20,235,700	25,235,800	20,201,400	19,825,500	(75,000)	19,750,500

MEDICAL SERVICES

Medicaid base adjustments are reflected in the budget to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth in various Medical Services program line items. The initial Medicaid base adjustments proposed in the Executive Budget and the staff consensus estimates that were adopted in the enacted budget are summarized below:

Medical Services Line Item	Initial Medicaid Base Adjustment	Staff Consensus Base Adjustment
Hospital Services and Therapy	\$82,266,900	\$212,257,700
Physician Services	\$52,054,500	\$119,836,200
Medicare Premium Payments	\$16,229,100	\$286,700
Pharmaceutical Services	\$23,431,200	\$102,488,400
Home Health Services	\$1,131,700	\$844,000
Hospice Services	\$5,267,900	\$3,948,500
Transportation	\$7,437,100	\$31,900
Auxiliary Medical Services	\$2,493,100	\$5,907,100
Dental Services	\$6,891,500	\$23,801,500
Ambulance Services	\$2,181,600	\$2,600,800
Long Term Care Services ¹	\$84,307,100	\$183,647,300
Adult Home Help ¹	(\$11,795,400)	(\$11,795,400)
Personal Care Services ¹	\$1,887,900	\$1,887,900
Health Plan Services	\$18,909,500	\$88,549,500
Federal Medicare Pharmaceutical Program	\$5,556,000	\$5,556,000
Total	\$298,249,700	\$739,848,100

(1) The staff consensus base adjustments inadvertently over-states the Long-Term Cares Services line by \$13,855,600 Gross (\$4,740,000) and under-states both the Adult Home Help adjustment by \$11,486,500 Gross (\$3,929,500 GF/GP) and the Personal Care Services line by \$2,369,100 Gross (\$810,500 GF/GP).

The Hospital Services and Therapy line is increased by \$212,257,700 Gross (\$81,218,400 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$74,522,500 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. Federal funding is increased by \$107,100 and GF/GP decreased by the same amount to reflect a change in the federal SCHIP matching rate from 72.19% to 74.23%. The line includes an FMAP rate change adjustment for the hospital quality assurance assessment program (QAAP) DSH pool portion of the line, replacing \$75,202,000 of QAAP authorization with a like amount of federal authorization.

The line is reduced \$7,255,100 Gross (\$2,670,600 GF/GP) representing hospital emergency room savings generated due to the increased mileage reimbursement rates provided to Medicaid beneficiaries and volunteers. The reasoning is that the more accessible primary care providers are, the lower the use of emergency rooms. The line is increased \$588,400 Gross (\$294,200 GF/GP) representing increased payments for the psychiatric resident graduate medical education program. A transfer to the Medicare Premium Payments line of \$59,467,200 federal Medicaid authorization is offset by a like amount of GF/GP, transferred-in from the same line, recognizes the federal revenue that the State will not earn in the school-based services program as a result of a change in reimbursement policy.

The line is reduced \$3,541,400 Healthy Michigan Fund and is offset with a like amount of GF/GP. This shift is due to reduced tobacco collections. The line is increased by \$10,084,500 of State retained hospital quality assurance assessment program (QAAP) which represents 13.2% of the changed federal gain resulting from the regular FMAP change. The State retained QAAP offsets a like amount of GF/GP. The line is increased by \$11,230,500 of State retained hospital quality assurance assessment program (QAAP) which represents 13.2% of the changed federal gain resulting from the federal stimulus FMAP change. The State retained QAAP offsets a like amount of GF/GP. A net zero correction occurs transferring-out \$100,000,000 of federal authorization to the Long-Term Care Services line and transferring-in a like amount of GF/GP from the same line.

The line is reduced by \$3,235,500 GF/GP which is offset by additional State retained hospital QAAP revenue. The State retained QAAP represents 13.2% of the federal earnings of the newly established psychiatric hospital PIHP - hospital rate adjustment (HRA) payment. A transfer-in of \$20,300 Healthy Michigan Fund revenue from the Special Medicaid Reimbursement line offsets a GF/GP reduction. The line is increased \$14,233,100 of Healthy Michigan Fund (HMF) state restricted revenue and GF/GP is lowered by a like amount. This adjustment represents available HMF due to final decisions on program reductions.

The line is reduced \$16,650,000 Gross (\$4,450,500 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for hospital services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for hospital services reduces the line \$16,650,000 Gross (\$4,450,500 GF/GP). Restores \$16,650,000 Gross (\$5,133,500 state restricted, reduces GF/GP by \$682,900), by increasing the QAAP tax on hospitals, thereby generating additional restricted revenue and state retainer savings and leveraging the additional federal funding needed to restore the cut. The line is reduced \$621,700 Gross (\$155,400 GF/GP) representing savings from the elimination of the Authenticare contract, which provides electronic billing and processing for in-home services.

The Hospital Disproportionate Share Payments line federal funding is increased by \$1,460,000 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%.

VETO - The Governor vetoed PART OF Section 1717 boilerplate language eliminating \$5.0 million Gross (\$1,840,500 GF/GP), the smaller disproportionate share hospital (DSH) pool.

The Physician Services line is increased by \$119,836,200 Gross (\$43,077,700 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$44,513,800 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is increased by \$3,201,200 Gross (\$1,054,500 GF/GP) annualizing a physician primary care rate increase. The Physician Services line is reduced by \$720,000 Gross (\$265,000 GF/GP) which represents savings from the elimination of an eligibility verification contract. The net amount is the result of anticipated FY 2008-09 savings of \$480,000 Gross (\$176,700 GF/GP) as well annualized savings of \$240,000 Gross (\$88,300 GF/GP).

The line is reduced \$10,259,200 Gross (\$2,742,300 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for pharmaceutical services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for pharmaceutical services reduces the line \$10,259,200 Gross (\$2,742,300 GF/GP). The line is reduced \$15,731,300 Gross (\$4,205,000 GF/GP) transferring funding for physician services provided to Children's Special Health Care Services (CSHCS) recipients to the Medical Care and Treatment line item in the CSHCS unit. Reduces the line \$1,229,200 Gross (\$328,600 GF/GP) due to the annualization of the Executive Order 2009-22 reduction which eliminated optional podiatric services for adult Medicaid recipients for the last quarter of FY 2009; action removes full year FY 2010 funding for these services.

In the Medicare Premium Payments line item a Medicaid inflation, caseload and utilization increase totaling \$286,700 Gross (\$490,800 GF/GP reduction) was adopted. Within the line federal funding is increased by \$43,778,400 and GF/GP increased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. Transfers-in \$48,250,300 of federal authorization related to school-based services earnings from the Hospital Services and Therapy line and transfers-out a like amount of GF/GP to the Hospital Services and Therapy line. An increase of \$16,500,200 GF/GP is necessary to offset a like amount of federal revenue that will not be earned in the School-Based Services line resulting from the change in payment methodology. The line is reduced \$120,000 GF/GP due to the distribution of the State benefit, which is federal Medicaid funds, generated in the School-Based Services line by an additional school in the SBS program.

For the Pharmaceutical Services line Medicaid inflation, caseload and utilization adjustments increases the line \$102,448,400 Gross (\$38,487,200 GF/GP). Within the line federal funding is increased by \$40,940,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is decreased \$5.8 million Gross (\$2,134,900 GF/GP) recognizing anticipated additional drug rebate savings. The line is increased by \$629,200 Gross (\$231,600) annualizing the 25¢ per script pharmacy dispensing fee increase instituted in FY 2008-09 on April 1, 2009. Includes a reduction of \$18,663,500 Gross (\$4,988,800 GF/GP) representing savings as a result of including behavioral health drugs in the preferred drug list. The line is reduced \$2,126,800 Gross (\$568,500 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for pharmaceutical services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for pharmaceutical services reduces the line \$2,126,800 Gross (\$568,500 GF/GP).

In the Home Health Services line item Medicaid inflation, caseload and utilization adjustments increased the line \$844,000 Gross (\$310,800 GF/GP). Within the line, federal funding is increased by \$833,700 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is reduced \$557,500 Gross (\$149,000 GF/GP) transferring funding for Medicaid-funded home health services provided to Children's Special Health Care Services (CSHCS) recipients to the Medical Care and Treatment line item in the CSHCS unit.

In the Hospice Services line item, Medicaid inflation, caseload and utilization increases totaling \$3,948,500 Gross (\$1,453,400 GF/GP) were adopted. Within the line, federal funding is increased by \$13,319,800 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is reduced \$192,900 Gross (\$51,600 GF/GP) transferring funding for

Medicaid-funded hospice services provided to Children's Special Health Care Services (CSHCS) recipients to the Medical Care and Treatment line item in the CSHCS unit.

In the Transportation line item Medicaid inflation, caseload and utilization adjustments increased the line \$31,900 Gross (\$15,900 GF/GP). The line is increased \$5,341,100 Gross (\$2,670,600 GF/GP) to support a mileage rate reimbursement increase for volunteers and beneficiaries. Retains the reduction for non-emergency transportation services implemented in Executive Order 2009-22 thereby reducing the line \$2,542,300 Gross (\$1,271,200 GF/GP). Reduction will be met through reductions in reimbursement rates.

In the Auxiliary Medical Services line item, a Medicaid inflation, caseload and utilization increase totaling \$5,907,100 Gross (\$1,435,200 GF/GP) was adopted. Within the line federal funding is increased by \$1,113,100 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. The line is reduced \$386,800 Gross (\$103,400 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for pharmaceutical services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for pharmaceutical services reduces the line \$386,800 Gross (\$103,400 GF/GP).

The line is reduced \$6,948,000 Gross (\$1,857,200 GF/GP) due to annualization of the Executive Order 2009-22 reduction which eliminated optional optometric, chiropractic and hearing aid services for adult Medicaid recipients for the last quarter of FY 2008-09. This action removes full year FY 2009-10 funding for these services. The line is reduced \$254,600 Gross (\$68,100 GF/GP) transferring funding for Medicaid-funded auxiliary medical services provided to Children's Special Health Care Services (CSHCS) recipients to the Medical Care and Treatment line item in the CSHCS unit.

In the Dental Services line item, Medicaid inflation, caseload and utilization increases totaling \$23,801,500 Gross (\$6,759,100 GF/GP) were adopted. Within the line federal funding is increased by \$16,459,500 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is reduced \$16,948,000 Gross (\$1,857,200 GF/GP) due to annualization of the Executive Order 2009-22 reduction which eliminated optional dental services for adult Medicaid recipients for the last quarter of FY 2008-09. This action removes full year FY 2009-10 funding for these services.

The Ambulance Services line item is increased by \$2,600,800 Gross (\$1,208,500 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$2,130,600 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. Elimination of the FY 2005-06 ambulance mileage rate increase of 55¢ per statute mile results in a \$1,519,000 Gross (\$559,100 GF/GP) reduction in the Ambulance Services line. The line is reduced \$497,600 Gross (\$133,000 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for ambulance services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for ambulance services reduces the line \$497,600 Gross (\$133,000 GF/GP). The line is reduced \$792,300 Gross (\$211,800 GF/GP) transferring funding for Medicaid-funded ambulance services provided to Children's Special Health Care Services (CSHCS) recipients to the Medical Care and Treatment line item in the CSHCS unit.

The Long-Term Care Services line Medicaid inflation, caseload and utilization increase totaling \$183,647,300 Gross (\$53,976,400 GF/GP) were adopted. Within the line federal funding is increased by \$172,796,400 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. Within this line, \$58,263,700 of state restricted nursing home quality assurance assessment (QAAP) revenue is replaced with a like amount of federal Medicaid revenue reflecting an increase in the regular FMAP rate for Michigan from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%.

The line is increased \$15,808,100 of Merit Award Trust Fund revenue replacing the amount that was removed in FY 2008-09, EO 2008-21. The line is increased by \$6,862,700 of State retained nursing home quality assurance assessment program (QAAP) revenue which represents 13.2% of the increased federal gain resulting from the regular FMAP change. The State retained QAAP offsets a like amount of GF/GP. The line is increased by \$8,350,000 of State retained nursing home quality assurance assessment program (QAAP) revenue which represents 13.2% of the federal gain resulting from the federal stimulus FMAP change. The State retained QAAP offsets a like amount of GF/GP. A transfer-in of \$100,000,000 of federal authorization from the Hospital Services and Therapy line and a transfer-out a like amount of GF/GP to the same line represents an allotment correction. The line is reduced \$838,100 Gross (\$308,500 GF/GP) due to reduced costs from transitioning Medicaid eligibles out of nursing homes.

Merit Award Trust Fund revenue is reduced by \$53,933,100 and offset with a like amount of GF/GP. The line is reduced \$29,600,100 Gross (\$7,912,100 GF/GP) resulting from savings accomplished through estate recovery efforts. Due to the elimination of the Michigan Education Savings Program the line is increased by \$700,000 Merit Award Trust Fund state

restricted revenue and offsets a like amount of GF/GP. The line is reduced \$24,374,700 Gross (\$8,972,300 GF/GP), the savings a result of transitioning approximately 900 individuals from nursing homes to community-based services. The line is decreased by \$100 GF/GP to balance to the Executive Recommendation. The line is reduced \$7,054,600 Gross (\$2,596,800 GF/GP) representing annualized FY 2008-09 savings from transitioning nursing home eligibles to specialized residential services. The line is reduced \$1,277,500 Gross (\$470,200 GF/GP) representing annualized FY 2008-09 savings from transitioning nursing home eligibles to MSHDA affordable assistance living program. The line is reduced \$1,350,000 Gross (\$496,900 GF/GP) representing annualized FY 2008-09 savings from transitioning nursing home eligibles to the PACE program.

The line is reduced \$43,035,200 Gross (\$11,503,300 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for pharmaceutical services. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for pharmaceutical services reduces the line \$43,035,200 Gross (\$11,503,300 GF/GP). The line is increased by \$43,035,200 Gross to reverse the additional 4% provider rate reduction. This is accomplished by increasing the QAAP tax on long-term care facilities, thereby generating \$13,056,400 additional restricted revenue, leveraging additional federal funding in the amount of \$31,531,800 and saving \$1,553,000 GF/GP representing the state retained savings. Additional federal Title IV-D funding in the amount of \$400,000 replaces an equal amount of GF/GP.

Within the Medicaid Home- and Community-Based Services Waiver line federal funding is increased by \$19,256,800 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is increased by \$7,054,600 of federal Medicaid authorization to correct the FY 2008-09 financing of specialized residential services. Also, annualizing the FY 2008-09 addition of specialized residential services to the home- and community-based service waiver increases the line by \$7,054,600 Gross (\$2,596,800 GF/GP). The line is increased \$1,277,500 Gross (\$470,200 GF/GP) representing annualized FY 2008-09 costs of the Michigan State Housing Development Authority (MSHDA) affordable assistance waiver. The line is increased \$6,515,300 Gross (\$2,570,300 GF/GP) to cover the costs of approximately 600 additional nursing home transitions to the MIChoice program. Contract costs for the Centers for Independent Living nursing home transitions requires an increase to the line of \$2,100,000 federal.

The Adult Home Help Services line item is decreased by \$11,795,400 Gross (\$4,621,700 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the, line federal funding is increased by \$34,152,700 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is increased \$480,000 Gross (\$176,700 GF/GP) to cover the estimated

costs of serving an additional 200 individuals transitioned from the nursing home setting. The line is increased \$16,584,000 Gross (\$4,432,900 GF/GP) to provide a 50¢ per hour wage increase for all adult home help workers in all counties.

The Personal Care Services line item is increased by \$1,887,900 Gross (\$694,900 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line, federal funding is increased by \$2,385,900 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The line is reduced \$672,000 (\$247,400 GF/GP) recognizing that the personal care services payment increase in FY 2008-09 was over appropriated.

Within the Program of All-Inclusive Care for the Elderly line, federal funding is increased by \$1,985,200 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The PACE expansion within Calhoun and Muskegon counties began in FY 2008-09 and is annualized requiring an additional \$1,350,000 Gross (\$496,900 GF/GP).

The Single Point of Entry line item is eliminated, a reduction of \$12,724,200 Gross (\$6,362,100 GF/GP). This action is the result of the annualization of the reduction implemented in Executive Order 2009-22 which eliminated funding for Single Point of Entry initiative for last quarter of FY 2009; action eliminates full year FY 2010 funding.

The Health Plan Services line is increased \$88,549,500 Gross (\$22,196,900 GF/GP) for Medicaid inflation, caseload and utilization adjustments. Within the line federal funding is increased by \$390,604,200 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. The FMAP rate varies from year to year based on a formula related to state per capita income levels. Within this line, \$34,254,200 of state restricted nursing home quality assurance assessment (QAAP) revenue is replaced with a like amount of federal Medicaid revenue reflecting an increase in the regular FMAP rate for Michigan from 60.27% to 63.19% and the ARRA enhanced rate up to 73.27%. Federal funds offset a decrease of \$42,049,500 GF/GP representing an increase in the state retainer related to the FMAP change.

Increases capitation payment rates for Health Plan Services by 4.5%, \$124,547,600 Gross (\$45,846,000 GF/GP), to ensure that rates are actuarially sound in FY 2009-10. Increases the line \$31,400,000 Gross (\$11,558,300 hospital QAAP revenue). Hospital rate adjustment (HRA) payments will be provided to hospitals based on a larger QAAP assessment as requested in the 2/12/09 Executive supplemental request letter. The line is increased \$2,928,900 Gross (\$1,827,500 of health plan QAAP) for FY 2008-09 due to the \$31.4 million increased HMO HRA payments in the same year. Increases

the line \$19,076,800 Gross (\$5,898,700 state restricted, \$1,123,500 local) recognizing the FY 2008-09 increased specialty network access fee (SNAF) payments as requested in the 2/12/09 Executive supplemental request letter. The line is increased \$1,779,500 Gross (\$1,110,300 of health plan QAAP) for FY 2008-09 due to the \$19,076,800 of increased SNAF payments as requested in the Executive supplemental request letter dated 2/12/09.

The line is increased \$2,716,700 Gross (\$1,000,000 local) to adjust for a FY 2008-09 HMO school health payment increase as requested in the Executive supplemental letter date 2/12/09. The line is increased \$234,800 Gross (\$146,500 of health plan QAAP) for FY 2008-09 due to the \$2,716,700 of increased school-based health center payments as requested in the Executive supplemental letter dated 2/12/09. Increases the line by \$3,722,900 Gross (\$2,322,900 state restricted) recognizing a 2/12/09 Executive supplemental request to increase the state psychiatric hospital disproportionate share hospital (DSH) payment to the appropriate level. Increases the line by \$2,396,200 state restricted recognizing a 2/12/09 Executive supplemental request to correct the fund sourcing of the state psychiatric hospital disproportionate share hospital (DSH) payment.

A distribution of \$23,900 GF/GP savings from the Special Medicaid Reimbursement line resulting from a state psychiatric hospital disproportionate share hospital FMAP correction for FY 2008-09 offsets a like amount of state restricted revenue. Increases the line for a physician primary care rate increase by \$2,871,000 Gross (\$1,056,800 GF/GP) adjusting for nine months of FY 2008-09 and an increase of \$957,000 Gross (\$352,300 GF/GP) to annualize for FY 2009-10. The increase became effective 1/1/09. An increase to the line of \$3,320,900 GF/GP offsets a like amount of federal certified public expenditure (CPE) revenue, a result of increased hospital QAAP revenue that generates increased provider payments. Increased payments to hospitals reduces uncompensated care which in turn reduces revenue from CPE and the GF savings CPEs produce.

A loss of Medicaid Benefits Trust Fund revenue is offset with an increase of \$6.8 million GF/GP. Health maintenance organization (HMO) provider tax is eliminated totaling \$194,822,700 health plan QAAP and replaced by a like amount of GF/GP generated by inclusion of Medicaid managed care organizations in the Use Tax. The tax is also increased from 5.5% to 6.0%. Increases the line by \$9,365,400 Gross (\$3,447,400 GF/GP) making HMOs whole given the conversion to the Use Tax April 1, 2009, increasing the HMOs taxes from 5.5% to 6.0%. Includes an increase of \$9,389,400 Gross (\$3,456,200 GF/GP) to annualize the change from the QAAP to Use tax from 5.5% to 6.0%, respectively. The line is increased \$6,418,000 Gross (\$1,985,000 state restricted, \$377,500 local) for an increase in FY 2009-10 specialty network access fee (SNAF) physician adjustor payments made through HMOs to contracted practioner groups using university and local funds to match federal Medicaid funds.

The line is reduced \$814,200 Gross (\$299,700 GF/GP) recognizing savings from an anticipated increase in the PlanFirst! family planning waiver program enrollment. A reduction of \$120.0 million Gross (\$32,076,000 GF/GP) represents anticipated savings from allowing health plans to receive federal pharmaceutical rebates for prescription drugs provided to managed care Medicaid enrollees. This would require a change in federal law. A distribution of \$744,400 GF/GP savings from the Special Medicaid Reimbursement line resulting from a state psychiatric hospital disproportionate share hospital increase offsets a like amount of state restricted. A distribution of \$4,082,600 GF/GP savings from the Special Medicaid Reimbursement line resulting from a state psychiatric hospital disproportionate share hospital FMAP adjustment offsets a like amount of state restricted.

A technical adjustment recognizing an additional \$3,123,500 hospital QAAP revenue authorization for HRA payments is included. Reducing the line, savings in the amount of \$18,705,600 Gross (\$5.0 million GF/GP) from additional third-party liability recoveries resulting from legislation expanding data requirements on auto insurers are included. The Medicaid Benefits Trust Fund (MBTF) state restricted authorization is increased \$15,094,100 offsetting a like amount of GF/GP. This assumes a \$3,694,100 contribution to the MBTF from additional fraud collections and claim settlements, and appropriates a projected \$11.4 million FY 2008-09 year-end balance from the MBTF.

The line is reduced \$104,533,200 Gross (\$27,941,700 GF/GP) representing annualized savings from the 4% provider rate reductions included in Executive Order 2009-22 for various health related services provided by managed care plans. An additional 4% provider rate reduction over and above the reduction included in Executive Order 2009-22 for HMO services reduces the line \$104,533,200 Gross (\$27,941,700 GF/GP). Restores \$41,813,300 Gross (\$12,891,900 state restricted, reduces GF/GP by \$1,715,300), the portion of the annualized 4% provider rate reduction attributable to hospitals by increasing the QAAP tax on hospitals, thereby generating additional restricted revenue and state retainer savings and leveraging the additional federal funding needed to restore the cut. The line is reduced \$6,586,600 Gross (\$1,356,400 GF/GP), these savings generated by a reduction of the administrative rate paid to Medicaid HMOs by around 2.1%. This action is expected to reduce allowable administrative costs as a percent of overall rate to approximately 10.9%.

The MIChild Program line is increased \$17,464,600 Gross (\$4,500,600 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The MIChild Program line item includes a federal funding increase of \$663,700 and GF/GP decreased by the same amount to reflect a change in the federal State Children's Health Insurance Program (SCHIP) matching rate from 72.19% to 74.23%.

The Plan First Family Planning Waiver line is increased \$2,324,500 Gross (\$232,500 GF/GP) to support an anticipated caseload increase in the PlanFirst! family planning waiver program from 30,000 to 35,000. An increase of \$672,200 Gross (\$67,200 GF/GP) is included to support a 6.2% inflationary increase in the PlanFirst! program.

The Medicaid Adult Benefits Waiver line is increased \$4,360,800 Gross (\$1,123,800 GF/GP) for Medicaid inflation, caseload and utilization adjustments. The Medicaid Adult Benefits Waiver program line item includes a replacement of \$2,750,700 of GF/GP with the same amount of federal State Children's Health Insurance Program (SCHIP) revenue to reflect an increase in the federal SCHIP matching (FMAP) rate for Michigan from 72.19% to 74.23%.

The County Indigent Care and Third Share Plans line is renamed as the "Special Indigent Care Payments" line. Within the Special Indigent Care Payments line \$3,023,300 of local funding authorization replaces the same amount of federal Medicaid revenue to reflect an increase in the regular FMAP rate for Michigan from 60.27% to 63.19%.

The Federal Medicare Pharmaceutical Program is increased \$5,556,000 GF/GP for the estimated utilization and inflation growth of the federal Medicare pharmaceutical program.

There are no appropriation changes to the Promotion of Healthy Behavior Waiver line item.

There are no appropriation changes to the Maternal and Child Health line item.

The Social Services to the Physically Disabled line item is eliminated, a reduction of \$1,344,900 GF/GP.

The School-Based Services line item is reduced \$24,750,400 Gross (\$16,500,200 GF/GP increase) resulting from a conversion in the reimbursement methodology for the school-based services program. The conversion began in FY 2008-09 and an adjustment to this line was proposed in the 2/12/09 Executive Supplemental letter. The cost of \$16,500,200 GF is transferred to the Medicare Premium Payments line and is offset with a like amount of federal Medicaid authorization. The line is increased \$180,000 Gross (\$120,000 GF/GP reduced, or savings) reflecting the addition of the School for the Deaf in the school-based service program. The school expenditures on Medicaid approved services will match \$300,000 of federal funds, of which the State will retain 40% of the federal funds and offset GF/GP, therefore creating \$120,000 in GF/GP savings. The \$120,000 GF/GP benefit from the new school provider previously mentioned is transferred to the Medicare Premium Payments line and is offset with a like amount of federal Medicaid authorization.

The Special Medicaid Reimbursement line is reduced \$200 Gross (\$4,744,500 reduced state restricted, \$4,744,300 increased federal) correcting a FY 2008-09 special financing adjustment. The line is reduced \$4,082,600 GF/GP, \$2,014,100 local and \$5,900,100 state restricted with an offsetting increase of \$11,996,800 federal Medicaid revenue to reflect an increase in the regular FMAP rate for Michigan from 60.27% to 73.27%. A distribution of \$4,082,600 GF/GP savings to the Health Plan Services line resulting from the state psychiatric hospital disproportionate share hospital FMAP adjustment offsets a like amount of state restricted. The line is increased \$39,299,900 Gross (\$12,578,900 state restricted, \$266,000 local) for anticipated public hospital physician adjustor payments. The line is increased \$3,630,300 Gross (\$355,000 state restricted, \$600,000 private, \$381,300 local) adjusting for anticipated dental settlement payments.

The allocation for the University of Detroit Hospital - Dental Clinics within this line is reduced by \$348,600 Gross (\$128,300 state restricted), an adjustment to the fixed benefit. The allocation for Wayne State Psychiatric Residency within this line is reduced by \$429,800 Gross (\$158,200 state restricted), an adjustment to the fixed benefit. The DSH allocation for the Bronson Methodist Hospital is reduced by \$100,000 Gross (\$36,900 state restricted), an adjustment to the fixed benefit. The line is reduced \$1.0 million GF/GP which is an elimination of the Hurley Medical Center payment.

Additional poison control activities funding up to \$1.1 million includes a \$427,300 Gross increase, replaces \$300,000 of Healthy Michigan Fund revenue with an equal amount of GF/GP and increases federal authorization by \$427,300. The line is increased \$1,178,000 Gross (\$744,400 GF/GP reduced) resulting from an increase in the State Psychiatric Hospital disproportionate share hospital allocation. A distribution of \$744,000 GF/GP savings to the Health Plan Services line resulting from a state psychiatric hospital disproportionate share hospital increase offsets a like amount of state restricted revenue.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2008-21

Executive Order 2008-21, approved by the House and Senate Appropriations Committees on December 10, 2008, reduces the FY 2008-09 Single Point of Entry line item by \$2.0 million Gross (\$1.0 million GF/GP) reflecting anticipated program lapse. The Pharmaceutical Services line is reduced \$700,000 Gross (\$233,900 GF/GP) from savings realized from the pharmacy benefits manager, First Health, and incontinent supplies contract savings. Due to a greater than anticipated upper payment limit for the hospital quality assurance assessment program (QAAP), and resulting increase in the earned federal Medicaid match funding, additional State retained assessment revenue of \$3,125,500 in the Hospital

Services and Therapy line and \$1,858,900 in the Health Plan Services line offsets \$4,982,400 GF/GP. The FY 2008-09 disproportionate share hospital (DSH) allotment cap was slightly larger than anticipated and resulted in additional GF/GP special financing savings of \$1,400,000. Savings within the Long-Term Care Services line of \$6,375,000 Gross (\$2,532,800 GF/GP) were larger than those budgeted for FY 2008-09 resulting from greater transitioning of Medicaid supported nursing home residents to community care settings. Efforts of the Single Point of Entry and Money Follows the Person programs are credited with the increased transitioning. Tobacco settlement revenue from an estimated \$5.8 million FY 2007-08 lapse of Michigan Promise Grant and Merit Award program funding and a \$10.0 million reduction to the FY 2008-09 Michigan Promise Grant program replaces \$15,808,100 GF/GP. The state restricted authorization replacement is completed by a legislative transfer.

EXECUTIVE ORDER 2009-22

Executive Order 2009-22, approved by the House and Senate Appropriations Committees on May 5, 2009, reduced lines within the Medical Services unit by \$44,372,200 Gross (\$13,010,100 GF/GP) due to a 4% reduction of Medicaid provider payment rates beginning July 1, 2009. Included savings of \$314,600 Gross (\$92,200 GF/GP) from the early enactment of the FY 2009-10 Executive proposed elimination of a 25¢ per script pharmacy dispensing fee increase beginning July 1, 2009. The Pharmaceutical Services line is reduced \$4,665,900 (\$1,368,000 GF/GP) from the inclusion of behavioral health drugs on the preferred drug list. Statutory changes were required to achieve savings. Within the Medical Services unit a savings of \$9,476,100 Gross (\$3,304,200 GF/GP) is realized within several lines due to the elimination of Medicaid adult dental, optometric services, chiropractic services, podiatric services, non-emergency transportation, and hearing aids on July 1, 2009.

Elimination of a FY 2005-06 ambulance provider rate increase beginning July 1, 2009, reduces the Ambulance Services line by \$379,800 Gross (\$114,000 GF/GP). Recognizes savings of \$672,000 Gross (\$197,000 GF/GP) in the Personal Care Services line due to the over-appropriation of the personal care supplement payment increase in FY 2008-09. Elimination of the balance of the Single Pointy of Entry line provides savings of \$4,200,000 Gross (\$2,100,000 GF/GP). The Health Plan Services line is reduced \$400,000 GF/GP recognizing that child medical support enforcement activities which have been Medicaid matched at 50% federal are more appropriately matched with Title IV-D 66% federal support. The increased federal match rate allowed the Department of Community Health to claim an additional \$400,000 federal and reduce GF/GP by a like amount. By reducing the special \$2.0 million GF/GP payment to Hurley Hospital by 25% the Special Medicaid Reimbursement line is reduced by \$250,000 GF/GP.

Healthy Michigan Fund revenue appropriated in the Hospital Services and Therapy line allows for a GF/GP reduction of \$3,839,700. The HMF cuts include: a \$270,400 reduction to advance the FY 2009-10 Executive proposed elimination of HMF for selected projects effective July 1, 2009, and \$3,519,300 of reductions for most remaining HMF-funded projects. Most of the latter project reductions are 25%, some are higher. The Executive Order recognizes available Merit Award Trust Funds from the respite care for seniors program and from reductions in Treasury and Higher Education. These funds offset GF/GP in the Long-Term Care Services line in the amount of \$5,312,500 GF/GP.

PUBLIC ACT 79 of 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 79 of 2009 increases the Healthy Michigan Fund revenue authorization by \$839,700 within the Hospital Services and Therapy line with funds available through various HMF program reductions as identified in Executive Order 2009-22. These funds replace GF/GP which was removed pursuant to EO 2009-22 from the Hospital Services and Therapy appropriation line. The Merit Award Trust Fund authorization within the Long-Term Care Services line is increased by \$5,312,500 from funds available from the respite care for seniors program and from reductions in the Department of Treasury and Higher Education budgets. These funds offset GF/GP in the Medicaid Long-Term Care Services line as identified in the Executive Order 2009-22. Increases funding by \$278,720,800 Gross (\$121,370,800 GF/GP) for Medicaid, MICHild, Adult Benefits Waiver and Federal Medicare Pharmacy program expenditures due to higher projected caseload costs. An additional \$3,720,900 Gross (\$100,651,800 GF/GP increase, \$96,930,900 HMO QAAP decrease) is proposed to reflect the increase in the Medicaid managed care provider tax from 5.5% to 6.0% that was enacted in December 2008. The state law change converts the managed care provider assessment to a use tax effective April 1, 2009, and as a result, the state's share of financing for the program shifts from state restricted revenue to GF/GP and as well takes into account making whole for ½ of the year's Use tax.

The Health Plan Services line is increased \$56,078,100 Gross to anticipated expenditure levels for hospital rate adjustor payment, special network access fee, and school health payments. The Health Plan Services line is increased by \$6,119,100 Gross (\$4,719,100 state restricted) increasing the disproportionate share hospital allotment (DSH) for the state psychiatric hospital. The School-Based Services line is reduced \$24,750,400 with an increase of \$16.5 million GF/GP required to offset the loss of State earnings in the school-based services program due to a change in reimbursement policy.

PUBLIC ACT 122 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Public Act 122 of 2009 incorporates into various Medical Services unit lines the effect of the American Reinvestment and Recovery Act of 2009 (ARRA). As a result of the ARRA, Michigan's federal Medicaid FMAP rate for FY 2008-09 is increased from 60.27% to 69.58% for the first two fiscal quarters and to 70.68% for the last two quarters. Due to this greater participation in the Medicaid program by the federal government GF/GP is decreased by \$604,337,700 with a like amount of federal increase. Since the Hospital Services & Therapy line and the Long-Term Care Services line are supported with state restricted revenue, quality assurance assessment (QAAP) revenue, the FMAP change has a positive effect as well. The Hospital Services and Therapy line is increased \$113,582,400 federal and reduced \$72,762,400 hospital quality assurance assessment program authorization and GF/GP reduced \$40,820,000 which is the State's retainer from the federal increase. The Long-Term Care Services line is increased \$44,190,800 federal and reduced a like amount of nursing home quality assurance assessment authorization.

	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10				
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 119. MEDICAL SERVICES								
Hospital services and therapy	1,147,085,300	1,222,685,500	1,222,685,500	1,302,237,000	1,304,102,200	1,335,404,600	0	1,335,404,600
Hospital disproportionate share payments	50,000,000	50,000,000	50,000,000	51,000,000	50,000,000	50,000,000	(5,000,000)	45,000,000
Physician services	256,478,800	309,785,300	309,785,300	314,615,500	334,135,500	341,317,300	0	341,317,300
Medicare premium payments	341,121,700	357,350,800	357,350,800	357,350,800	340,075,000	341,408,400	0	341,408,400
Pharmaceutical services	240,959,100	239,297,600	239,297,600	259,651,500	138,879,200	315,359,600	0	315,359,600
Home health services	5,758,200	6,889,900	6,889,900	6,889,900	6,653,400	6,044,700	0	6,044,700
Hospice services	99,398,100	104,666,000	104,666,000	104,666,000	103,679,900	103,153,700	0	103,153,700
Transportation	10,169,300	22,947,500	22,947,500	22,947,500	12,025,500	13,000,000	0	13,000,000
Auxiliary medical services	9,668,600	12,161,700	12,161,700	12,161,700	7,467,300	7,599,500	0	7,599,500
Dental services	123,558,000	130,449,500	130,449,500	206,496,200	123,912,000	126,426,400	0	126,426,400
Ambulance services	22,760,100	23,422,700	23,422,700	24,941,700	13,808,100	11,734,700	0	11,734,700
Long-term care services	1,501,883,100	2,020,156,300	2,020,156,300	1,559,192,200	1,516,122,500	1,593,808,300	0	1,593,808,300
Medicaid home- and community-based services w/	152,424,900	0	0	176,426,800	176,426,800	176,426,800	0	176,426,800
Adult home help services	258,789,300	0	0	264,057,900	279,433,500	264,057,900	0	264,057,900
Personal care services	19,247,500	0	0	21,807,400	16,562,100	20,463,400	0	20,463,400
Program of all-inclusive care for the elderly	15,250,000	0	0	16,600,000	16,600,000	16,600,000	0	16,600,000
Single point of entry	12,724,200	12,724,200	12,724,200	12,724,200	0	0	0	0
Health plan services	3,486,952,200	3,600,420,400	3,600,420,400	3,654,609,600	3,388,124,900	3,483,069,900	0	3,483,069,900
MiChild program	32,535,400	41,378,000	41,378,000	41,378,000	52,304,500	50,000,000	0	50,000,000
Plan first family planning waiver	5,785,500	8,782,200	8,782,200	8,782,200	8,782,200	8,782,200	0	8,782,200
Medicaid adult benefits waiver	134,837,900	138,871,700	138,871,700	183,871,700	138,871,700	139,198,700	0	139,198,700
County indigent care and third share plans	88,518,500	0	0	0	0	0	0	0
Special indigent care payments	0	88,518,500	88,518,500	191,683,900	88,518,500	88,518,500	0	88,518,500
Federal Medicare pharmaceutical program	178,055,800	183,611,800	183,611,800	183,611,800	183,611,800	183,611,800	0	183,611,800
Promotion of healthy behavior waiver	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	0	10,000,000
Maternal and child health	20,279,500	20,279,500	20,279,500	20,279,500	20,279,500	20,279,500	0	20,279,500
Social services to the physically disabled	1,344,900	1,344,900	1,344,900	1,344,900	1,344,900	0	0	0
Subtotal basic medical services program	8,225,585,900	8,605,744,000	8,605,744,000	9,009,327,900	8,331,721,000	8,706,265,900	(5,000,000)	8,701,265,900
School-based services	89,201,000	64,630,600	64,630,600	64,630,600	64,630,600	64,630,600	0	64,630,600
Special Medicaid reimbursement	197,039,500	238,574,100	238,574,100	240,074,200	238,574,100	239,696,400	0	239,696,400
Subtotal special medical services payments	286,240,500	303,204,700	303,204,700	304,704,800	303,204,700	304,327,000	0	304,327,000
GROSS APPROPRIATION	8,511,826,400	8,908,948,700	8,908,948,700	9,314,032,700	8,634,925,700	9,010,592,900	(5,000,000)	9,005,592,900
Appropriated from:								
Federal revenues:								
Total other federal revenues	5,195,569,400	5,661,049,900	5,661,049,900	5,864,095,300	5,420,157,400	5,688,603,000	(3,159,500)	5,685,443,500
Federal FMAP stimulus (ARRA)	0	413,698,300	413,698,300	714,080,200	753,251,200	851,168,400	0	851,168,400
Special revenue funds:								
Total local revenues	58,975,000	59,100,000	59,100,000	59,538,500	59,538,500	57,524,400	0	57,524,400
Total private revenues	400,000	1,000,000	1,000,000	3,100,000	3,100,000	3,100,000	0	3,100,000
Merit award trust fund	55,856,200	17,899,900	17,899,900	17,899,900	17,899,900	18,431,200	0	18,431,200
Total other state restricted revenues	1,576,062,300	1,337,399,600	1,338,009,600	1,356,246,700	1,400,227,600	1,342,964,600	0	1,342,964,600
State general fund/general purpose	1,624,963,500	1,418,801,000	1,418,191,000	1,299,072,100	980,751,100	1,048,801,300	(1,840,500)	1,046,960,800

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY

Funds for the Information Technology Services and Projects line item are increased by \$629,100 Gross (\$144,000 GF/GP) to recognize the costs associated with upgrading the Microsoft License Agreement from 2002 to 2007. Overall costs for the upgrade will be capitalized and depreciated over 4 years. Funds for the Information Technology Services and Projects line item are increased by \$9,400 Gross (all GF/GP) to finance an economic increase for workers' compensation costs related to the Department of Community Health's IT staff. An administrative reduction of \$3,200 Gross (\$700 GF/GP) is included in the budget for the Information Technology Services and Projects line item. Funds for the Information Technology Services and Projects line item are increased by \$9,300 Gross (all state restricted revenue) for Michigan Business One Stop Portal which is designed to streamline government to business transactions and allow them to be performed on one secure website. Savings of \$386,000 Gross (\$88,400 GF/GP) are recognized due to a change in the way that electronic files are archived by the former Department of Information Technology. The files will be relocated to a virtual environment which frees up server space and decreases storage and backup rates for agency applications.

Funds for the Information Technology Services and Projects line item are increased by \$81,400 Gross (\$23,600 GF/GP) to finance a 1.0% salary and wage increase for non-bargaining and unionized employees. Employees' defined benefit retirement costs supporting the Information Technology Services and Projects line item are increased by \$148,600 Gross (\$43,100 GF/GP). Employees' defined contribution retirement costs supporting the Information Technology Services and Projects line item are increased by \$11,700 Gross (\$3,400 GF/GP). Employees' insurance costs supporting the Information Technology Services and Projects line item are increased by \$46,900 Gross (\$13,600 GF/GP). As an economic adjustment for building and occupancy charges, funds for the Information Technology Services and Projects line item are reduced by \$7,400 Gross (all GF/GP).

The enacted budget includes no changes to Medicaid Michigan Information System line item.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

Executive Order 2009-22 reduces funding for the Information Technology Services and Projects line item by \$155,800 Gross (\$58,000 GF/GP) in recognition of the six unpaid furlough days for employees supported by this line item.

	FY 2008-09	FY 2009-10						
FY 2009-10	COMM. HEALTH	EXECUTIVE	REVISED EXEC.	HOUSE	SENATE	ENROLLED	FY 2009-10	FY 2009-10
P.A. 131 of 2009 (H.B. 4436)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	12-Feb-09	12-Feb-09	25-Jun-09	22-Apr-09	24-Jun-09	20-Oct-09	30-Oct-09	30-Oct-09
Sec. 120. INFORMATION TECHNOLOGY								
Information technology services and projects	35,593,700	36,133,500	36,133,500	36,133,500	36,133,500	36,133,500	0	36,133,500
Michigan Medicaid information system	16,801,100	16,801,100	16,801,100	16,801,100	16,801,100	16,801,100	0	16,801,100
GROSS APPROPRIATION	52,394,800	52,934,600	52,934,600	52,934,600	52,934,600	52,934,600	0	52,934,600
Appropriated from:								
Federal revenues:								
Total federal revenues	36,798,400	37,225,800	37,225,800	37,225,800	37,225,800	37,225,800	0	37,225,800
Special revenue funds:								
Total other state restricted revenues	3,602,100	3,573,900	3,573,900	3,573,900	3,573,900	3,573,900	0	3,573,900
State general fund/general purpose	11,994,300	12,134,900	12,134,900	12,134,900	12,134,900	12,134,900	0	12,134,900

BOILERPLATE

GENERAL SECTIONS BOILERPLATE

Sec. 201. State Spending

Total FY 2009-10 state spending from state resources under Part 1 and state spending from state resources to be paid to local units of government.

Sec. 202. Authorized Appropriations

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

Sec. 203. Terms and Acronyms

Provides definitions for terms and acronyms used in this act.

Sec. 204. Civil Service Charges

Requires Civil Service Commission to bill DCH at the end of the first fiscal quarter for the 1% charge authorized by the State Constitution of 1963. Requires DCH to pay the total billing by end of the second fiscal quarter.

Sec. 205. Hiring Freeze

Imposes hiring freeze on full-time state classified civil service employees, except internal transfers of classified employees from one position to another in a department or when freeze will render DCH unable to deliver basic services, cause loss of revenue to the state, result in inability of the state to receive federal funds, and necessitate additional expenditures that exceed vacancy savings. Requires annual report on the number of exceptions to hiring freeze.

Sec. 206. Contingency Funds

Appropriates up to \$100 million federal contingency funds, up to \$20 million state restricted contingency funds, up to \$20 million local contingency funds, and up to \$10 million private contingency funds; specifies that contingency funds are not available for expenditure until transferred according to Section 393(2), pursuant to the Management and Budget Act.

Sec. 208. Internet Reporting Requirements

Requires that DCH use the Internet to fulfill the reporting requirements of this act.

Sec. 209. American Goods or Services and Michigan Goods or Services

Prohibits purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available; requires that preference be given to goods or services, or both, manufactured by Michigan businesses if competitively priced and of comparable quality; requires that preference be given to goods or services, or both, manufactured by Michigan businesses owned and operated by veterans if competitively priced and of comparable quality.

Sec. 210. Businesses in Deprived and Depressed Communities

Requires DCH to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both.

Sec. 211. Fee Revenue and Restricted Fund Balances

Allows carryforward of fee revenue, with approval of State Budget Director, into the next fiscal year and to be used as the first source of funding in that fiscal year; requires report on balances of restricted funds administered by DCH.

Sec. 212. Caps on Funds Expended

Caps funds expended from federal maternal and child health block grant, preventive health and health services block grant, and substance abuse block grant, Healthy Michigan fund, and Michigan health initiative fund. Requires report by February 1, 2010, on FY 2009-10 appropriation fund sources by line item; requires report on amount and source of funds to support FY 2010-11 Executive Budget Recommendation upon budget release. Requires all revenue source detail for consolidated revenue line item detail to be provided upon request to DCH.

Sec. 213. Report on Tobacco Tax and Healthy Michigan Funds

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds by April 1, 2010, to the House and Senate Appropriations Committees and Fiscal Agencies, and State Budget Director.

Sec. 214. Use of Tobacco Tax Revenue

Prohibits using tobacco tax revenue deposited in Healthy Michigan fund for lobbying as defined in 1978 PA 472.

Sec. 215. Policy Changes Implementing Public Acts

Requires a report by April 1, 2010 on each policy change made to implement a public act affecting DCH which took effect during the preceding calendar year. Prohibits the use of appropriated funds by DCH on adopting a rule that will apply and have a disproportionate economic impact on small businesses.

Sec. 216. Use of Prior-Year Revenue

Allows the use of prior-year revenue for write-offs of accounts receivables, deferrals, and prior-year obligations; does not limit DCH's ability to satisfy appropriation deductions in Part 1 to collections and accruals in the current fiscal year. Requires DCH to report by March 15, 2010, on all reimbursements, refunds, adjustments, and settlements from prior years to the House and Senate Appropriations Subcommittees on Community Health.

Sec. 218. Basic Health Services

Lists basic health services embodied in Part 23 of the Public Health Code that are to be available and accessible throughout the state.

Sec. 219. DCH Contracts with the Michigan Public Health Institute

Allows DCH to contract with the Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires DCH to report on each funded project by November 1, 2009, and May 1, 2010; requires DCH to provide, by September 30, 2010, copies of all reports, studies, and publications produced by the Institute.

Sec. 220. Audits of Michigan Public Health Institute Contracts

Requires all contracts with the Michigan Public Health Institute funded with Part 1 appropriations to include a provision requiring financial and performance audits by the state Auditor General of funded project with state appropriations.

Sec. 223. Fees for Publications, Videos, Conferences, and Workshops

Allows DCH to establish and collect fees for publications, videos and related materials, conferences, and workshops. Requires collected fees to be used to offset expenditures for printing and mailing costs of publications, videos and related materials, and costs of conferences and workshops. Prohibits DCH from collecting fees that exceed expenditures.

Sec. 259. User Fees for Information Technology (IT) Services and Projects

Directs DCH to pay user fees to Department of Information Technology (DIT) for technology-related services and projects from Part 1 appropriated funds for IT; subjects user fees to provisions of the interagency agreement between DCH and DIT.

Sec. 260. Information Technology (IT) Work Projects

Allows Part 1 appropriated funds for IT to be designated as work projects and carried forward; states that funds for work projects are not available for expenditure until approved as work projects pursuant to Section 451a of the Management and Budget Act.

Sec. 261. Medicaid Management Information System Upgrade

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

Sec. 264. Submission and Applications for Medicaid Waivers

Requires DCH to notify the House and Senate Appropriations Subcommittees on Community Health and House and Senate Fiscal Agencies upon the submission of a Medicaid waiver, a Medicaid state plan amendment, or similar proposal to the Centers for Medicare and Medicaid Services. Requires quarterly reports on status of discussions with federal agencies on potential or future Medicaid waiver applications.

Sec. 265. Retention of Reports

Directs departments and agencies receiving Part 1 appropriations to receive and retain copies of all reports funded from Part 1 appropriations.

Sec. 266. Out-of-State Travel

Limits out-of-state travel to when it is required by legal mandate or is necessary to protect the health or safety of Michigan citizens, produce budgetary savings or increase state revenue, comply with federal requirements, secure specialized training for staff financed entirely by federal or nonstate funds, except if travel is granted an exception by the State Budget Director. Requires DCH to report on out-of-state travel for the preceding fiscal year by January 1, 2010.

Sec. 267. Disciplinary Action Against State Employee

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

Sec. 269. Reimbursement of Mental Health Medications

Specifies that the funds appropriated for pharmaceutical services include funds for the reimbursement of mental health medications under the Medicaid program.

Sec. 270. Notification from Attorney General on Legal Actions

Requires DCH to provide written report on total amounts recovered from legal actions, programs, or services for which monies were originally expended; details on disposition of funds recovered from legal actions; and descriptions of facts involved in legal actions within 90 days after receipt of notice from the Attorney General of legal actions in which expenses have been recovered.

Sec. 271. Mental Health Services Intervention Pilot Project

Requires DCH, in cooperation with a PIHP, Medicaid HMO, and federally qualified health center to establish and implement a mental health services intervention pilot project. Requires the project to provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease including, but not limited to, diabetes, asthma, substance addiction, or stroke. Requires DCH to encourage each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems. Requires a progress report on the pilot project by May 1, 2010.

Sec. 272. Study on Administrative Efficiencies, Shared Services, and Consolidations

Requires DCH to make efforts to implement the results of the study on administrative efficiencies, shared services, and consolidations for local health departments, CMHSPs, coordinating agencies on substance abuse, and area agencies on aging. Requires report on efforts to implement the study by April 1, 2010.

Sec. 276. Legal Services of Attorney General

Prohibits use of appropriated funds by DCH to hire a person to provide legal services that are the responsibility of the Attorney General. Provides that the prohibition does not apply to legal services for bonding activities and those activities authorized by the Attorney General.

Sec. 282. Administrative Costs for Coordinating Agencies and Area Agencies on Aging

Requires DCH to establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities: coordinating agencies on substance abuse, Salvation Army Harbor Light program, and their subcontractors, and area agencies on aging and local providers, and their subcontractors. Requires DCH to provide a written draft of its proposed definitions, standards, and instructions by May 15, 2010.

Sec. 284. Travel for Professional Development Conference

Prohibits DCH from approving the travel of more than 1 departmental employee to a professional development conference or training seminar outside of this state unless funded by federal or private funding sources.

Sec. 285. Prescription Drug Website - VETOED

Requires DCH to expand its prescription drug website to provide: the 150 most commonly prescribed brand name drug products under the Medicaid program, links to other websites that would be of assistance to consumers, and toll-free numbers that residents may call to determine eligibility for prescription drug programs, including free and discounted prescription drug programs.

Sec. 286. Financial Transparency Information

Directs DCH to expend no more than \$10,000 to develop, post, and maintain on a publicly accessible Internet site all expenditures made by the agency within a fiscal year. Prohibits DCH from hiring additional employees to comply with this section.

Sec. 287. General Fund/General Purpose Lapses

Requires DCH to report on the estimated general fund/general purpose appropriations lapses at the close of the fiscal year by no later than December 1, 2010.

Sec. 288. Antipsychotic Prescriptions

Requires DCH to report on the feasibility and impact of including antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the PIHPs by April 1, 2010.

Sec. 291. Bridges Case Management System

Allocates up to \$100 for a cooperative effort between DCH, and Departments of Human Services (DHS) and State Police on coordinating the functions of the State Police LEIN system and DHS's Bridges case management system in order to identify those persons who may be ineligible to receive certain assistance services due to their law enforcement status.

DEPARTMENTWIDE ADMINISTRATION BOILERPLATE

Sec. 301. Worker's Compensation Funds

Allows DCH to make payments from funds appropriated for worker's compensation for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. First-Party Payments for Mental Health Services

Prohibits DCH from requiring first-party payments from individuals or families with taxable income of \$10,000 or less for mental health services for determinations made in accordance with Section 818 of Mental Health Code.

MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES BOILERPLATE

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. Michigan Protection and Advocacy Agency

Allows DCH to enter into contract with Michigan Protection and Advocacy Agency or similar organization to provide legal services for gaining and maintaining occupancy in a community living arrangement under lease or contract with DCH or CMHSPs to provide services to persons with mental illness or developmental disability.

Sec. 351. Interdepartmental Grant to Judiciary for Drug Treatment Courts

Requires DCH to provide \$1.8 million of federal Byrne justice assistance grant funds to the Judicial Branch as an interdepartmental grant, for local drug treatment courts.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Comprehensive System of CMH Services

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or prepaid inpatient health plans (PIHPs). Requires that DCH ensure each CMHSP or PIHP provides a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code.

Sec. 402. Contracts Between DCH and CMHSPs

Requires final authorizations to CMHSPs or PIHPs be made upon execution of contracts between DCH and CMHSPs or PIHPs. Requires each contract with a CMHSP or PIHP to include provision that it is not valid unless total dollar obligation of all contracts entered into between DCH and CMHSPs or PIHPs for FY 2009-10 does not exceed Part 1 appropriations. Requires DCH to report immediately to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director if there are new contracts or amendments to contracts with CMHSPs or PIHPs that would affect enacted rates or expenditures.

Sec. 403. Multicultural Service Providers

Requires DCH to ensure CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement. Prohibits appropriations for multicultural services from being utilized for services to illegal immigrants, fugitive felons, and people who are not residents of the state. Requires annual report from independent organizations receiving multicultural services funding.

Sec. 404. Report on CMHSPs

Requires DCH to report by May 31, 2010, on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during FY 2008-09, information on the CMH Medicaid managed care program, performance indicator information required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers.

Sec. 405. Wage Increase to Direct Care Workers

States legislative intent that the wage increase funded in previous years for direct care workers in local residential settings and settings where skill building, community living supports and training, and personal care services are provided be paid to direct care workers.

Sec. 406. Appropriations for State Disability Assistance Substance Abuse Services Program

Requires funds appropriated for the state disability assistance substance abuse services program be used to support per diem and board payments in substance abuse residential facilities. Requires DCH to reimburse all eligible licensed substance abuse programs at a rate equivalent to that paid by DHS to adult foster care providers.

Sec. 407. Substance Abuse Prevention, Education, and Treatment Grants - PARTIAL VETO

Requires that appropriations for substance abuse prevention, education, and treatment grants be expended for contracting with coordinating agencies. Requires coordinating agencies work with CMHSPs or PIHPs to coordinate services provided

to individuals with severe and persistent mental illness and substance abuse diagnoses. Requires DCH to approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay. States legislative intent that coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with severe and persistent mental illness and substance abuse diagnoses. Requires coordinating agencies that are located completely within the boundary of a PIHP to conduct a study on administrative costs and efficiencies associated with consolidation with that PIHP. Allocates \$100 to fund medications for the treatment of alcoholism and other substance abuse disorders. Allocates \$300,000 to establish a methadone/buprenorphine clinic in a county with a population less than 35,000. Effective April 1, 2010, requires PIHPs to be considered only as coordinating agencies for the reimbursement of appropriated funds. **The Governor vetoed subsections (5) and (6) which provided for the \$100 allocation to fund medications for the treatment of alcoholism and other substance abuse disorders and \$300,000 allocation to establish a methadone/buprenorphine clinic in a county with a population less than 35,000.**

Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs

Requires DCH to report by April 15, 2010, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2008-09.

Sec. 409. Substance Abuse Services to Clients with Children

Requires funds for substance abuse services to be distributed in a manner to provide priority to service providers that furnish child care services to clients with children.

Sec. 410. Substance Abuse Treatment for DHS Recipients

Requires DCH to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the DHS who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. Jail Diversion Services for Persons with Mental Illness or Developmental Disability

Directs DCH to ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversions for persons with mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate. Requires each CMHSP or PIHP to have jail diversion services and work toward establishing relationships with representative staff of local law enforcement agencies.

Sec. 412. Non-Medicaid Substance Abuse Services

Requires DCH to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance abuse services.

Sec. 414. Medicaid Substance Abuse Services

Requires Medicaid substance abuse services to be managed by selected PIHPs pursuant to Centers for Medicare and Medicaid Services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. Authorizes selected PIHPs to receive a capitated payment on a per eligible per month basis to assure the provision of medically necessary substance abuse services. Requires selected PIHPs to be responsible for reimbursement of claims for specialized substance abuse services. Allows PIHPs that are not coordinating agencies to continue to contract with a coordinating agency provided that the alternative arrangement is based on client service needs and has prior approval from DCH.

Sec. 418. Monthly Report on Medicaid Managed Mental Health Program

Requires DCH to report on the amount of funding paid to PIHPs to support the Medicaid managed mental health program in the preceding month.

Sec. 424. Timely Claims Process for PIHPs

Requires that PIHPs contracting with DCH to provide services to the Medicaid population adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in 2000 PA 187.

Sec. 428. Contingency Appropriation for PIHPs

Requires PIHPs to provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program in order to increase capitation rates for PIHPs.

Sec. 435. County Matching Funds to CMHSP

Directs counties required under provisions of the Mental Health Code to provide matching funds to CMHSPs for mental health services rendered to residents in its jurisdiction to pay these funds in equal installments on a quarterly basis throughout the fiscal year.

Sec. 442. Medicaid Adult Benefits Waiver Program

Expresses legislative intent that \$40 million transferred from CMH Non-Medicaid Services to support Medicaid Adult Benefits Waiver program be used to provide state match for increases in federal funds for primary care and specialty services provided to Medicaid Adult Benefits waiver enrollees and economic increases for Medicaid Specialty Services and Supports program; general fund match is to be transferred back to CMH Non-Medicaid Services if enrollment in Medicaid Adult Benefits Waiver program does not achieve expectations and funding for the program is not expended. Requires

DCH to report to the House and Senate Appropriations Subcommittees on Community Health quarterly on a summary of eligible expenditures for the Medicaid Adult Benefits Waiver program.

Sec. 452. Financial Impact on CMHSPs

Prohibits retroactive implementation of any policy that results in negative financial impact on CMHSPs or PIHPs.

Sec. 456. Consumer Choices for Mental Health Services

Requires CMHSPs and PIHPs to honor consumer choices for skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and work preparatory services provided in the community or by accredited community-based rehabilitation organizations. Requires that CMHSPs and PIHPs take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues are placed in the least restrictive settings if that is their choice.

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

Requires DCH to report by April 15, 2010, on the following: an updated plan for implementing each recommendation of the Michigan Mental Health Commission report on October 15, 2004; a cost-benefit analysis of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness including residential facilities' potential impact on the state's need for adult mental health facilities; and a cost-benefit analysis of establishing specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

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

Requires DCH to fully implement the uniform definitions, standards, and reporting of administrative costs by subcontractors of PIHPs, CMHSPs, and contracted organized provider systems that receive payment or reimbursements from PIHPs and CMHSPs in FY 2009-10 consistent with Internal Revenue Service 990 and Office of Management and Budget A-87 guidelines. Requires a progress report on implementation of the uniform definitions, standards, and reporting of administrative costs by July 1, 2010.

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

Requires DCH to report by October 15, 2009 on the funding formula and allocations for all CMHSPs that receive funds appropriated under the CMH non-Medicaid services line. Requires report to include a comparison of the current fiscal year

allocation to the prior fiscal year allocation and factors used in the funding formula to achieve equitable distribution of funds.

Sec. 463. Program Evaluation Measures for Substance Abuse Services

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

Sec. 468. Incorporation of Coordinating Agencies into CMH Authorities

Requires DCH to maintain criteria for incorporation of a city, county, or regional substance abuse coordinating agency into a local CMH authority. Allows DCH to make accommodations and adjustments in formula distribution to coordinating agencies if all of the following are met: funding not exceeding \$75,000 is provided to any coordinating agency for administrative costs incurred by incorporating into a CMH authority; accommodations and adjustments do not favor coordinating agencies who voluntarily elect to integrate with CMH authorities; and accommodations and adjustments do not negatively affect other coordinating agencies.

Sec. 470. Integration of Mental Health and Substance Abuse Services

Directs DCH to establish written expectations, such as coordination and consolidation of administrative functions, for CMHSPs, PIHPs, coordinating agencies, and counties on the integration of mental health and substance abuse services for those coordinating agencies that have voluntarily incorporated into CMH authorities and accepted funding from DCH for administrative costs incurred when incorporating into authorities. Requires May 1, 2010 status report on the integration of mental health and substance abuse services.

Sec. 474. Guardianship of Recipients

Directs DCH to ensure each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his/her family with information regarding the different types of guardianship. Prohibits a CMHSP or PIHP from attempting to reduce or restrict the ability of a recipient or his/her family from obtaining legal guardianship without just cause.

Sec. 480. Atypical Antipsychotic Prescriptions

Requires a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries by March 30, 2010.

Sec. 482. Odyssey House

Requires DCH to continue funding for programs provided by the Odyssey House.

Sec. 483. Medicaid Status

Requires a Medicaid recipient to remain eligible for medical assistance during a period of incarceration or detention and limits the Medicaid coverage to off-site inpatient hospitalization.

Sec. 489. CMH Non-Medicaid Funding Reductions

Requires DCH to work with the Michigan Association of CMH Boards and individual CMHSPs to mitigate reductions to CMH non-Medicaid Services line by seeking alternative funding sources.

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

Sec. 601. Third-Party Payments and Revenue Recapture Project

Requires that priority be given to obtaining third-party payments for services in funding staff in financial support division, reimbursement, billing, and collection services. Requires that collections from individual recipients of services be handled in a sensitive and nonharassing manner. Requires DCH to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive.

Sec. 602. Gifts and Bequests

Authorizes carryforward of unexpended and unencumbered funds up to \$1,000,000 from gifts and bequests for patient living and treatment environments for one fiscal year.

Sec. 603. Forensic Mental Health Services Provided to the Department of Corrections (DOC)

Specifies that funds appropriated in Part 1 for Forensic Mental Health Services provided to DOC are in accordance with the interdepartmental plan developed in cooperation with DOC. Authorizes DCH to receive and expend funds from DOC to fulfill obligations outlined in the interdepartmental agreement.

Sec. 604. Annual Reports for CMHSPs

Requires CMHSPs or PIHPs to provide annual reports to DCH on the following: number of days of care purchased from state hospitals, state centers, and private hospitals; number and type of alternative placements to state hospitals and centers other than private hospitals; and waiting lists for placements in state hospitals and centers. Directs DCH to report, annually, this information to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director.

Sec. 605. Closures or Consolidations of State Hospitals and Centers

Prohibits DCH from implementing closures or consolidations of state hospitals, centers, and agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in the facilities. Requires DCH to provide a closure plan four months after closure certification to the House and Senate Appropriations Subcommittees on Community Health and State Budget Director. Requires transfer of remaining operational funds from closed state hospitals, centers, and agencies to CMHSPs or PIHPs responsible for providing services to these clients.

Sec. 606. Patient Reimbursement

Allows DCH to collect revenue for patient reimbursement from first and third party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. Authorizes DCH to adjust financing sources for patient reimbursement based on actual revenue earned. Allows carryforward of revenue collected that exceeds current-year expenditures if approved by the State Budget Director.

Sec. 608. Privatization of Food and Custodial Services

Requires DCH to update January 1, 2009 report on the privatization of food and custodial services at state hospitals and centers, and establish and implement a bid process to identify 1 or more private contractors to provide food and custodial services.

Sec. 609. Tobacco Use in State Psychiatric Facilities

Continues the prohibition on use of all tobacco products in and on the grounds of state psychiatric facilities.

Sec. 610. Reduction in Workforce/Closure of State Facilities

Requires DCH to make every effort to minimize job losses due to any reductions in force or closing of facilities by placing those employees displaced by the reduction or closure within other state positions and encouraging CMHSPs to hire those displaced employees.

PUBLIC HEALTH BOILERPLATE

PUBLIC HEALTH ADMINISTRATION

Sec. 650. Fish Consumption Advisory

Directs DCH to communicate the annual public health consumption advisory for sport fish; at a minimum, post the advisory on the Internet and provide it to Women, Infants, and Children special supplemental nutrition program participants.

Sec. 651. Activities and Progress Pursuant to Healthy Michigan 2010 Report

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

HEALTH POLICY, REGULATION, AND PROFESSIONS

Sec. 704. Emergency Medical Services (EMS) Grantees and Contractors

Requires DCH to continue to work with EMS grantees funded from Part 1 appropriations to ensure that a sufficient number of qualified EMS personnel exist to serve rural areas of the state.

Sec. 706. Nursing Home Inspectors

Requires that DCH make every effort to hire qualified nursing home inspectors with past experience in the long-term care industry.

Sec. 707. Nursing Scholarship Program

Require that funds appropriated for the Nursing Scholarship Program be used to increase nurses practicing in Michigan. Requires DCH and Board of Nursing work cooperatively with Michigan Higher Education Assistance Authority to coordinate scholarship assistance. Encourages Board of Nursing to structure scholarships in which recipients who intend to practice nursing in this state are rewarded.

Sec. 708. Quarterly Staff Reports from Nursing Facilities

Requires that nursing facilities' quarterly reports to DCH include the total patient care hours provided each month and the percentage of pool staff used each month during the preceding quarter. Requires DCH to make the quarterly staff report available to the public.

Sec. 709. Michigan Essential Health Care Provider Program

Allows funds appropriated for Michigan Essential Health Care Provider Program to be used to provide loan repayment for dentists that meet the criteria established in Part 27 of the Public Health Code.

Sec. 710. Primary Care Services Funding for Health Centers

Allocates up to \$2,172,700 to enhance the service capacity of federally qualified health centers and similar health clinics providing primary care services.

Sec. 711. Customized Listings of Nonconfidential Information

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

Sec. 712. Free Health Clinics

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

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

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

Sec. 714. Nursing Facility Complaint Investigations

Requires DCH to report to the Legislature by April 1, 2010 on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. Requires DCH to make every effort to contact complainants during investigations.

Sec. 716. Investigations of Health Care Professionals

Requires DCH to give priority in the investigations of alleged wrongdoing by licensed health care professionals that are alleged to have occurred within two years of the initial complaint.

Sec. 718. Nursing Home Complaint Deficiencies

Requires study on frequently cited complaint deficiencies for nursing homes during the prior three fiscal years.

Sec. 720. Helen M. Nickless Volunteer Clinic - VETOED

Allocates \$75,000 for the Helen M. Nickless Volunteer Clinic in Bay City.

Sec. 722. Medical Professional

Specifies that a newly-accepted professional into the Michigan Essential Health Provider Program is eligible for four years of loan repayments.

Sec. 724. Coordinated Statewide Trauma Care System

Permits allocation up to \$100 for the development of a coordinated statewide trauma care system.

Sec. 725. Rural Health Improvements

Permits allocation up to \$100 to support improvements as identified in "Michigan Strategic Opportunities for Rural Health Improvement, A State Rural Health Plan 2008-2012".

Sec. 726. Fees for Medical Marihuana Program

Requires DCH to submit an annual report on the amount collected from the application and renewal fees for the Medical Marihuana Program, and the cost of administering the program.

Sec. 727. Outsourcing Medical Marihuana Program

Requires DCH to report by March 1, 2010 on the feasibility and cost of outsourcing the Medical Marihuana Program.

INFECTIOUS DISEASE CONTROL

Sec. 801. Priority for Adolescents for AIDS Prevention Services

Requires DCH and its subcontractors to ensure that high-risk children ages 9 through 18 receive priority for AIDS prevention, education, and outreach services.

Sec. 803. AIDS Drug Assistance Program

Directs DCH to continue AIDS Drug Assistance Program maintaining prior year eligibility criteria and drug formulary, but does not prohibit DCH from providing assistance for improved AIDS treatment medications. Allows DCH to revise criteria and formulary, consistent with federal program guidelines, if appropriation is insufficient to maintain the prior year criteria and formulary.

Sec. 804. HIV and Hepatitis C Cooperative Program with Department of Corrections

Directs DCH to cooperate with Department of Corrections to share data and information regarding prisoners being released who test positive for HIV or Hepatitis C, related to the Michigan prisoner reentry initiative.

EPIDEMIOLOGY

Sec. 851. Lead Abatement Program Report

Directs DCH to report annually on the expenditures and activities of the lead abatement program.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. Reimbursement of Local Costs Related to Informed Consent Law

Directs DCH to reimburse local health departments for costs incurred for services provided in accordance with the Informed Consent Law.

Sec. 902. Funding Penalty in Case of Dissolution of Multi-County Local Health Department

Provides authority for DCH to assess a penalty on a county of up to 6.25% of the county health department's local public health operations funding if that county ceases to be part of a district health department or an associated arrangement with other local health departments.

Sec. 904. Local Public Health Operations

Directs that local public health operations line item funds shall be prospectively allocated to local public health departments to support costs for nine state and local cost-shared services. Certain of these services shall be provided in consultation with Michigan Departments of Agriculture and Environmental Quality. Local public health departments shall be held to contractual standards for these services. Local eligibility is contingent upon local spending of at least the amount expended in FY 1992-93 for these services. Requires DCH to report on planned allocations of local public health operations line item funds by April 1, 2010.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1003. Alzheimer's Disease Information and Referral Services

Requires DCH to use Alzheimer's information network line item funds to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers.

Sec. 1006. Priority for Smoking Prevention Funding and Allocation for Quit Kits

Requires DCH to give priority to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents in spending smoking prevention program line item funds. Allocates \$365,000 for the Quit Kit program that includes the nicotine patch or nicotine gum, for purposes of complying with Act 164 of 2004.

Sec. 1007. Violence Prevention Program

Directs that violence prevention line item funds be used for, but not limited to, programs aimed at preventing spouse, partner, or child abuse and rape, and workplace violence; directs DCH to give equal consideration to public and private nonprofit grant applicants; allows DCH to provide funds to local school districts for family violence prevention programs.

Sec. 1008. Diabetes Management Pilot Project in Muskegon County

Permits allocation of up to \$25,000 for a diabetes management pilot project in Muskegon County from the diabetes and kidney program appropriation line item.

Sec. 1009. National Kidney Foundation of Michigan Funding

Permits allocation of funds from the diabetes and kidney program line item to the National Kidney Foundation of Michigan for kidney disease prevention programs.

Sec. 1019. Stroke Prevention Funding

Allows DCH to allocate \$50,000 of chronic disease prevention line item funds for stroke prevention, education, and outreach. Program education objectives are outlined.

Sec. 1028. African-American Male Health Initiative Funding

Allows DCH to appropriate funds for the African-American Male Health Initiative if Healthy Michigan funds or federal Preventive Health and Health Services Block Grant funds are available.

Sec. 1031. Pilot Programs for Traumatic Brain Injury Treatment Guideline Model - VETOED

Appropriates \$200,000 of injury control intervention project line item funds to continue two pilot programs for trauma hospitals to encourage utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury, one in a county with a population of less than 225,000 persons and one in a county with a population over 1,000,000.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1101. Reallocation of Funds for Certain Programs in Cases of Underexpenditures

Requires DCH to review the basis for the distribution of funds to local health departments and other agencies from the family planning, prenatal care, and WIC programs, and indicate the basis on which any projected underexpended funds are to be reallocated to other local agencies that demonstrate need. (Note: PRENATAL CARE LINE ITEM VETOED)

Sec. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs

Requires DCH to report by April 1, 2010, on funding allocations, breakdown of expenditures by urban and rural, and prior fiscal year service and expenditure data for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DCH must ensure that needs of rural communities are considered in distribution of funds for these programs. Defines "rural" entity as having a population of 30,000 or less. (Note: PRENATAL CARE LINE ITEM VETOED)

Sec. 1105. Contract with Local Agencies Best Able to Serve Clients

Requires DCH to contract for family, maternal, and children's health services with local agencies best able to serve clients. Describes factors to be used by DCH to evaluate a local agency's ability to serve clients.

Sec. 1106. Family Planning Federal Title X Funding Compliance

Requires family planning programs receiving federal Title X funds to be in compliance with federal performance and quality assurance indicators; agencies not in compliance shall not receive supplemental or reallocated funds.

Sec. 1107. Prenatal Care Outreach Administrative Cost Limit - VETOED

Requires that expenditures for local administration, data processing, and evaluation cannot exceed 9% of the amount appropriated for prenatal care outreach and service delivery support; and requires a report by March 30, 2010 of allocations and expenditures.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding

Prohibits pregnancy prevention program appropriation line item funds from being used for abortion counseling, referrals, or services.

Sec. 1109. Volunteer Dental Services Program for the Uninsured

Allocates funds from dental program line item to the Michigan Dental Association to administer a volunteer program of dental services to the uninsured; and requires a report by DCH by December 1, 2009 on services provided in the prior fiscal year.

Sec. 1110. Designation of Delegate Agencies for Family Planning and Pregnancy Prevention Funds

Provides that agencies currently receiving pregnancy prevention and family planning line item funds shall have the option of receiving those funds directly from DCH and be designated as delegate agencies.

Sec. 1111. Allocation of Funds for Direct Services for Family Planning and Pregnancy Prevention

Directs DCH to allocate no less than 88% of family planning and pregnancy prevention line item funds for the direct provision of services.

Sec. 1112. Allocation for Communities with High Infant Mortality Rates - VETOED

Requires that DCH allocate at least \$1,000,000 to communities with high infant mortality rates from the prenatal care outreach and service delivery support line item funds.

Sec. 1129. Report of Elevated Blood Lead Levels in Children

Directs DCH to annually report to the Legislature on the number of children with elevated blood lead levels by county, including blood lead level and source of reported information.

Sec. 1133. Infant Mortality Data Release

Requires DCH to release infant mortality rate data to all local public health departments 72 hours or more prior to releasing infant mortality rate data to the public.

Sec. 1135. School Health Education Curriculum

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

Sec. 1137. Alzheimer's Disease Patient Care Training Funding

Allows DCH to allocate up to \$100 of special projects appropriation line item funds to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. *Ele's Place Funding*

Requires DCH to allocate up to \$100 of special projects appropriation line item funds to the Ele's Place organization.

Sec. 1139. *Kalamazoo Nurse Family Partnership Funding - VETOED*

Requires that the Kalamazoo nurse family partnership receive the same level of funding as in FY 2007-08, to be allocated from the prenatal care outreach and service delivery support appropriation line item.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. *Farmer's Market Nutrition Program Local Contributions*

Allows DCH to work with local participating agencies to define local annual contributions for the Farmer's Market Nutrition Program, Project FRESH, to enable DCH to determine local commitment of funds for federal match request.

Sec. 1153. *WIC Program Access in Rural Communities*

Requires DCH to ensure that individuals residing in rural communities have sufficient access to the services offered through the Women, Infants, and Children Food and Nutrition Program.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. *Medical Care and Treatment Reimbursement Policies*

Requires payments for medical care and treatment be made consistent with reimbursement policies of Michigan medical services program.

Sec. 1202. *Children's Special Health Care Services Coverage*

Allows the Children's Special Health Care Services program to provide special formula for persons with certain metabolic and allergic disorders, treatment to persons age 21 or older with cystic fibrosis, genetic diagnostic and counseling services, and services to persons age 21 or older with hemophilia.

Sec. 1203. *Referrals to Locally-Based Services Programs*

Requires that DCH refer clients of the program to the locally-based services program in their community.

Sec. 1204. CSHCS and Managed Care

Provides children who are enrolled in the Children's Special Health Care Services program and also have Medicaid with the option of enrolling, effective July 1, 2010, in a Medicaid health plan and having their care co-managed by CSHCS.

CRIME VICTIM SERVICES COMMISSION BOILERPLATE

Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs

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

Sec. 1304. Sexual Assault Evidence Collection Procedures

Requires DCH to work with Department of State Police and certain statewide organizations to ensure that recommended standard procedures for emergency treatment of sexual assault victims are followed in the collection of evidence in cases of sexual assault.

OFFICE OF SERVICES TO THE AGING BOILERPLATE

Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs

Eligibility for services funded by the community services and nutrition services appropriation line items shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act.

Sec. 1403. Home-Delivered Meals Waiting Lists

Requires area agency on aging regions to report home-delivered meals waiting lists to Office of Services to the Aging and to the Legislature; establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility.

Sec. 1404. Authorization for Fees for Senior Care and Certain Services

Allows area agencies on aging and local providers to receive and expend fees for the provision of day care, care management, respite care, and certain eligible home- and community-based services. Fees shall be based on a sliding scale, taking client income into consideration, and shall be used to expand services.

Sec. 1406. Use of Respite Care Tobacco Settlement Funds for Direct Care

Requires that the \$4,468,700 respite care appropriation of Merit Award Trust Fund monies be used only for direct respite care or adult respite care center services, and be allocated according to a long-term care plan. Not more than 9% of the allocation shall be expended for administrative purposes.

Sec. 1413. Area Agency on Aging Membership Change

Establishes notice and conditions for local change of membership of area agencies on aging in a region; and requires Office of Services to the Aging to adjust allocations for any changes in county membership.

Sec. 1417. Reporting of Area Agency on Aging Allocations and Expenditures

Requires DCH to report by March 30, 2010 on allocations of state resources to each area agency on aging by program and administration, and detail of expenditures by each area agency on aging of all state and local funds by program and administration.

Sec. 1418. Maximization of Funding for Home-Delivered Meals

DCH shall maximize funding for home-delivered meals to the extent allowable under federal law and regulation.

Sec. 1419. Interdepartmental Grant for Michigan Agricultural Surplus System - VETOED

Allocates \$120,100 of nutrition services line item funding for an interdepartmental grant to the Department of Agriculture to support the Michigan Agricultural Surplus System (MASS).

MEDICAL SERVICES BOILERPLATE

Sec. 1601. Remedial Services Costs and Medicaid Eligibility

Requires remedial service costs to be used in determining medically-needy eligibility for those in adult foster care and homes for the aged.

Sec. 1602. Medicaid Eligibility for the Elderly and Disabled

Provides Medicaid eligibility to low income elderly and disabled persons up to 100% of the poverty level.

Sec. 1603. Medical Services Buy-In Program

Allows DCH to establish a statewide program for persons to purchase medical coverage at a rate determined by DCH.

Sec. 1605. Medicaid Protected Income Level

Establishes the Medicaid protected income level at 100% of the public assistance standard, and requires 90-day notice prior to implementation of changes in the protected income level.

Sec. 1606. Medicaid Eligibility Deduction for Guardian and Conservator Charges

Limits the allowable deduction for guardian and conservator charges to \$60 per month when determining Medicaid eligibility and patient pay amounts.

Sec. 1607. Medicaid Presumptive Eligibility for Pregnant Women

Stipulates that Medicaid applicants whose qualifying condition is pregnancy shall be presumed to be eligible unless the preponderance of evidence in the application indicates otherwise. Sets procedures to facilitate access to health care for pregnant women including provision of an authorization letter, a listing of Medicaid physicians and health plans, referral to public health clinics for ineligible persons, and allowing qualified applicants to select or remain with the participating obstetrician of her choice. Specifies that obstetrical and prenatal care claims are to be paid at Medicaid fee-for-service rates if there is no contract between provider and managed care plan. Mandates enrollment of Medicaid eligible pregnant women into Medicaid HMOs and requires DCH to encourage physicians to provide these women a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1610. Provider Cost Report Grievance Procedure

Requires that DCH provide a cost report grievance process for medical providers and payment within nine months following submission of cost reports.

Sec. 1611. Medicaid Payment in Full Provisions

Requires Medicaid payment rate to be accepted as payment in full, including payments from other third-party sources. Hospital services payments for persons dually eligible for Medicare and Medicaid are to include capital payments in determining Medicaid reimbursement amount.

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Copayments

Establishes the pharmacy dispensing fee at \$2.75 for recipients not in nursing homes and \$3.00 for nursing home residents, or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for generic drugs and \$3.00 for brand-name drugs except as prohibited by federal or state law or regulation. States legislative intent that if DCH realizes savings resulting from the way Medicaid pays pharmacists for prescriptions from average wholesale price to average manufacturer price, the savings shall be returned to pharmacies as an increase in the dispensing fee of no more than \$2.00.

Sec. 1621. Drug Utilization Review and Disease Management

Authorizes drug utilization review and disease management systems with physician oversight and consultation with various medical provider groups.

Sec. 1623. Dispensing of Maintenance Drugs

Continues current Medicaid policy that allows for dispensing a 100-day supply for maintenance drugs, and notice to medical providers regarding this policy. Requires dispensing medication in quantity prescribed unless subsequent consultation with the physician indicates otherwise.

Sec. 1627. Drug Rebates for the State Medical Program and CSHCS Program

Authorizes DCH to secure manufacturer drug rebates for participants in MICHild, MOMS, State Medical, Children's Special Health Care Services, and Adult Benefit Waiver programs that are equivalent to Medicaid rebates, and allows for preauthorization of drugs if rebates are not provided.

Sec. 1629. Maximum Allowable Cost (MAC) Drug Pricing

Requires DCH to base its MAC prices for generic drugs on pricing available from at least two wholesalers who deliver in Michigan.

Sec. 1630. Medicaid Podiatric, Dental and Chiropractic Services

Continues podiatric, adult dental and chiropractic services at not less than the level in effect on October 1, 2002. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year. Authorizes DCH to implement bulk order purchasing of hearing aids, imposes limits on binaural hearing aid benefits and limits replacement of hearing aids to once every three years. (Note: section should have been revised or deleted to be consistent with part 1 decision to eliminate funding for these optional services.)

Sec. 1631. Medical Services Copayments

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

Sec. 1633. Healthy Kids Dental Coverage in Cities

Requires DCH to report on the feasibility of providing Healthy Kids dental coverage in cities rather than entire counties.

Sec. 1635. Continuation of Medicaid Obstetrical Rate Increase

Requires continuation of FY 2005-06 allocation of \$6,910,800 between Physician Services and Health Plan Services appropriation lines for the increase of Medicaid reimbursement rates for obstetrical services.

Sec. 1636. Continuation of Medicaid Physician Well Child and Primary Care Procedures Rate Increase

Requires continuation of allocations provided in FY 2006-07 and FY 2008-09 between Physician Services and Health Plan Services appropriation lines for an increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes.

Sec. 1637. Personal Health Responsibility Agreement

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

Sec. 1641. Institutional Provider Costs Reports

Requires institutional providers to submit their cost reports within five months of the end of the fiscal year.

Sec. 1642. Ambulatory Surgery Centers

Requires DCH to continue to allow ambulatory surgery centers in the state to fully participate in the Medicaid program when hospitals are reimbursed for Medicaid services through the Michigan Medicaid information system. Requires reimbursement schedule for ambulatory surgery centers that was developed and implemented in FY 2007-08 to continue to be used in FY 2009-10.

Sec. 1643. Psychiatric Residency Training Program

Allocates \$10,947,400 from Graduate Medical Education funds for a psychiatric residency training program if the universities involved provide the necessary allowable Medicaid matching funds.

Sec. 1647. Continuation of Graduate Medical Education Payments

Requires graduate medical education payments to hospitals at no less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. Automated Toll-Free Phone Line and Online Eligibility Verification

Directs DCH to maintain and make available an online resource for medical providers to obtain enrollment and benefit information of Medicaid recipients.

Sec. 1649. Breast and Cervical Cancer Treatment Coverage

Directs DCH to establish breast and cervical cancer treatment coverage for uninsured women under age 65 and with incomes below 250% of the poverty level, pursuant to federal legislation.

Sec. 1650. Mandatory Managed Care Enrollment Requirement

Authorizes continuation of Medicaid managed care and assignment of recipients who do not select a provider. Requires notice of exception criteria to enrollment, the right to change plans, and complaint/grievance procedures. Specifies criteria for medical exceptions to mandatory managed care enrollment.

Sec. 1651. Hospice Services Under Medicaid Managed Care

Allows access to hospice services for Medicaid patients enrolled in health maintenance organizations.

Sec. 1652. Health Plan Service Area Expansion

Requires that any new or renegotiated Medicaid health plan contracts shall include the following conditions regarding service area expansion: 1) not sell or transfer any portion of the HMO's assets or business for a period of three years, and 2) the HMO that expands into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has one or fewer HMOs participating in the Medicaid program.

Sec. 1653. Conditions for Implementation of Medicaid Managed Care Plans

Establishes conditions for implementing Medicaid managed care plans related to continuity of care, submitting HMO data for evaluation, health plan advisory council, and choice of plans; and prohibits mandatory enrollment in non-metropolitan areas with only one HMO unless there is a choice of two or more physicians. Maintains voluntary HMO enrollment in Children's Special Health Care Plan and requirement to inform of the opportunity for HMO enrollment, and requires a budget neutral case rate adjustment for persons with AIDS and other high-cost conditions. Requires that DCH receive

assurances from Office of Financial and Insurance Services that new Medicaid HMOs meet net worth and solvency standards prior to contracting with them.

Sec. 1654. Reimbursement for HMO Covered Services

Requires Medicaid HMOs to pay for services by non-HMO providers if medically necessary, approved by the HMO, immediately required, and cannot be obtained through HMO providers on a timely basis. Services are considered approved if the authorization request is not responded to within 24 hours.

Sec. 1655. Twelve-Month Lock-In for HMO Enrollment

Allows for a 12-month lock-in to HMOs with good cause exceptions and allows recipients to change HMOs for any reason within the first 90 days.

Sec. 1656. HMO Expedited Complaint Review Procedures

Requires expedited grievance procedure for Medicaid recipients enrolled in qualified health plans and a toll free phone number to help resolve problems and complaints.

Sec. 1657. HMO Reimbursement for Hospital ER Service, and Medicaid ER Financial Incentives

Requires reimbursement for emergency room (ER) services to screen and stabilize a patient without prior authorization by an HMO, and notice to the HMO regarding a patient's diagnosis and treatment within 24 hours of discharge; prior authorization by the HMO is required for further services beyond stabilization.

Sec. 1658. HMO Contracts with Hospitals

Requires that HMOs shall have contracts with local hospitals; requires reimbursement to non-contracted hospitals at Medicaid fee-for-service rates; requires hospitals that do not contract with HMOs in their service area enter into a hospital access agreement as specified in a MSA policy bulletin.

Sec. 1659. Applicable Boilerplate Sections for Medicaid Managed Care

Specifies the Medical Services boilerplate sections that apply to Medicaid managed care programs.

Sec. 1660. Access to Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Services

Requires timely access to EPSDT services for children enrolled in Medicaid managed care programs; specifies primary care provider's responsibility to assure child's vision/hearing screening; requires local health departments provide preschool vision/hearing screenings and accept referrals; prohibits HMOs from requiring prior authorization of contracted

providers for any EPSDT screening and diagnosis services; requires DCH to provide budget neutral incentives to improve performance related to care of children and pregnant women.

Sec. 1661. Access to Maternal Infant Health Program (MIHP) Services

Requires timely access to Maternal Infant Health Program (MIHP) services and coordination with other state or local programs; requires HMOs to be responsible for MIHP as described in Medicaid policy; coordination of MIHP services with other state services focusing on the prevention of adverse birth outcomes, child abuse and neglect; DCH to provide, annually, budget neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of pregnant women.

Sec. 1662. Review and Analysis of HMO Performance, EPSDT and MIHP Technical Assistance

Directs DCH to assure an external quality review of each HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services either contracted or directly provided to Medicaid beneficiaries; requires Medicaid HMOs to provide EPSDT utilization data and well child health measures; directs DCH to submit copies of analysis of HMO HEDIS reports and annual external quality review report within 30 days; requires DCH to work with Michigan Association of Health Plans and Michigan Association for Local Public Health to improve EPSDT and MIHP services and assure training/technical assistance are available for EPSDT and MIHP.

Sec. 1670. MICHild Program Eligibility

Specifies that funds appropriated for MICHild Program are to be used to provide health care to children under age 19 in families with income below 200% of federal poverty level who have not had health insurance within six months of making application for MICHild benefits. Allows DCH to provide up to one year of continuous eligibility for MICHild program unless family members no longer meet eligibility criteria or family fails to pay the monthly premium. Assures continuity of care for persons whose category of MICHild eligibility changes due to family income. Specifies income level and verification requirements to determine MICHild program eligibility. Requires DCH to contract with any qualified HMO, dental care corporation, health care corporation or other entity which offers to provide MICHild health care benefit at the capitated rate. Allows DCH to obtain certain MICHild services contractually through community mental health agencies. Requires DCH to assure that an external quality review of each MICHild services contractor is performed, which analyzes quality, timeliness, and access to health care services provided by the contractor to MICHild beneficiaries. Requires DCH to develop automatic enrollment algorithm based on quality and performance factors.

Sec. 1671. MICHild Marketing and Outreach

Directs DCH to continue a comprehensive approach to marketing and outreach of the MICHild program, and to coordinate such efforts with existing DCH outreach and marketing activities.

Sec. 1673. MICHild Premiums and Prohibition on MICHild Copayments

Allows DCH to establish premiums for eligible persons above 150% of poverty level of \$10 to \$15 per month for a family.

Sec. 1677. MICHild Benefits

Specifies the benefits to be covered by the MICHild program based on the state employee insurance plan.

Sec. 1680. Nursing Home Wage Pass-Through

Requires that previous payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through Medicaid nursing home wage pass-through program be continued.

Sec. 1681. Home and Community-Based Services

Requires that DCH and local waiver agents encourage the use of family members, friends, and neighbors to provide non-medical home and community-based services, where appropriate.

Sec. 1682. OBRA Nursing Home Enforcement Provisions

Authorizes DCH to implement federal nursing home enforcement provisions and receive/expend noncompliance penalty money; to provide funds to the Disability Network of Michigan to be distributed to 15 Centers for Independent Living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their homes; and to conduct a survey of residents, their families and employees, evaluating nursing home consumer satisfaction and quality of care.

Sec. 1683. Dignity and Rights of Terminally Ill and Chronically Ill Patients

Directs DCH to promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals, including hospice care, pain management, and suicide prevention.

Sec. 1684. Home and Community-Based Services (HCBS) Waiver Costs

Requires report that identifies by waiver agent Medicaid HCBS waiver costs by administration, case management, and direct services.

Sec. 1685. Prospective Setting of Medicaid Nursing Home Payment Rates

Requires that Medicaid nursing home payment rates be set 30 days in advance of the facility's fiscal year, and be based on the most recent cost report submitted.

Sec. 1687. Health Insurance for Direct Care Workers

Requires DCH to study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund health care insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs.

Sec. 1688. Personal Care Services Reimbursement Rate

Prohibits a limit on personal care services reimbursement under the Medicaid Home and Community-Based Services program, but allows DCH to maintain aggregate per day client reimbursement cap for all services provided under the waiver program.

Sec. 1689. Home and Community-Based Services (HCBS)

Gives priority in HCBS enrollment to nursing home residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Requires a quarterly report on HCBS allocations and expenditures by region, net cost savings by moving individuals from nursing home to the HCBS program, number of individuals transitioned and on HCBS waiting lists by region, amount of funds transferred during the quarter, and number of persons served and days of care for the HCBS program and in nursing homes. Requires DCH to develop system to collect and analyze information on persons on HCBS waiting list to identify community support and assistance they receive and the extent to which these supports help individuals to avoid entry into a nursing home. Establishes legislative intent that DCH revise policies and regulations in order to limit the self-determination option within HCBS program to services furnished by approved home-based services providers meeting waiver qualifications.

Sec. 1690. MIChoice and Adult Home Help Quality Assurance Indicators, Improvement Plans, and Incidents

Directs DCH to submit a report on the adult home help and MIChoice program quality assurance indicators, quality improvement plans, and critical incidents and their resolutions.

Sec. 1691. Adult Home Help Worker Wage Increase

Provides that all adult home help workers receive a wage increase of \$0.50 per hour effective October 1, 2009.

Sec. 1692. Medicaid School-Based Services

Provides authorization for Medicaid reimbursement of school-based services.

Sec. 1693. Special Medicaid Reimbursement Payments Increase

Allows for an increase in Special Medicaid Reimbursement payments if a Medicaid state plan amendment for such payments above the appropriated level is submitted.

Sec. 1694. Allocation to Children's Hospitals

Authorizes distribution of \$1,122,300 to an academic health care system that includes a children's hospital with high indigent care volume.

Sec. 1695. Nursing Facility Case Mix Reimbursement

Requires DCH to evaluate the impact of implementing a case mix reimbursement system for nursing facilities. DCH is to consult with Health Care Association of Michigan, Michigan County Medical Care Facilities Council, and Association of Homes and Services for the Aging, with a progress report due by August 1 of the current fiscal year.

Sec. 1697. Local Match Funds for School-Based or School-Linked Services

Allows DCH to utilize school district funds received from a health system as state match for federal Medicaid or State Children's Health Insurance Program funds to be used for new school-based or school-linked services.

Sec. 1699. Disproportionate Share and Graduate Medical Education (GME) Payments

Authorizes separate payments for hospitals serving a disproportionate share of indigent patients in the amount of \$50.0 million, and those hospitals providing GME training programs.

Sec. 1711. Medicaid Two-Tier Case Rate for Emergency Services and Emergency Room Observation Rate

Requires continuation of a two-tier Medicaid case rate for emergency physician charges. Payments by case and aggregate shall not exceed 70% of Medicare rates, and total expenditures shall not exceed level of total payments made during FY 2001-02 after adjustments for Medicare co-payments, deductibles, and utilization changes. DCH to use a utilization adjustor to ensure to ensure compliance with spending constraints.

Sec. 1712. Rural Health Initiative

Subject to availability of funds, requires DCH to implement a rural health initiative with funds to be first allocated to a rural outpatient hospital adjustor, and remaining funds for defibrillator grants, EMT training, or other similar programs.

Sec. 1716. Adult Benefits Waiver Enrollment Level

Requires that DCH seek to maintain a constant enrollment level within the Medicaid Adult Benefits Waiver program through FY 2009-10.

Sec. 1717. Disproportionate Share Payments to Hospitals (DSH) - PARTIAL VETO

Directs DCH to create two pools for distribution of DSH funds: first pool would distribute \$45.0 million based on methodology in FY 2003-04, remaining \$5.0 million would be allocated to unaffiliated hospitals that received less than \$900,000 in DSH payments in FY 2007-08 based on each hospital's Medicaid revenue and utilization, with no payments being made less than \$1,000. A distribution report is due by September 30 of the current fiscal year. **Governor vetoed the second \$5.0 million DSH pool allocation.**

Sec. 1718. Adult Home Help Review Process

Authorizes Medicaid adult home help beneficiaries to request a departmental review of any decisions that may adversely affect their access to home help services.

Sec. 1721. Medicaid Financial Eligibility For Long-Term Care Patients

Requires review of Medicaid eligibility requirements for long-term care patients related to prepaid funds that are subsequently returned to individuals who qualify for Medicaid.

Sec. 1724. Injectable Drugs for Respiratory Syncytial Virus

Directs DCH to allow pharmacies to purchase injectable drugs for treatment of respiratory syncytial virus for shipment to physician's offices; allows Medicaid reimbursement for dispensing and administration if patients are eligible.

Sec. 1725. Medicaid Eligibility Error Rate Reduction

Requires DCH continue to work with Departments of Human Services to reduce Medicaid eligibility errors related to basic eligibility requirements, residency status issues, and income requirements.

Sec. 1728. Lifting and Transferring Devices for Medicaid Recipients

Requires that DCH make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding, electric, lifting and transferring devices.

Sec. 1731. Medicaid Asset Test

Directs DCH to continue Medicaid eligibility asset test for parents, caretaker relatives, and 19 and 20 year olds who are not required to be covered under federal Medicaid requirements.

Sec. 1732. Nursing Home QAAP Modification Assurance

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

Sec. 1733. Federal Funds for Electronic Prescribing and Health Information Technology Initiatives

Requires DCH to seek federal funds to provide financial support for electronic prescribing and other health information technology initiatives; and develop a three-year strategic plan to implement e-prescribing in the Medicaid program.

Sec. 1734. Medicaid Recipients Healthy Behavior Incentive Program

Requires DCH to seek federal funds for demonstration programs that will permit Michigan to provide financial incentives for positive health behavior practiced by Medicaid recipients.

Sec. 1739. Health Plan Contractor Performance Bonus Program

Directs DCH to continue the contractor performance bonus program for Medicaid health plans. Program may include indicators based on prevalent and chronic conditions affecting the Medicaid population, and indicators of preventative health status for adults and children.

Sec. 1740. Graduate Medical Education Funds Distribution

Requires assurance from DCH that all GME funds continue to be promptly distributed to hospitals using a methodology developed in consultation with the graduate medical education advisory group during FY 2006-07.

Sec. 1741. Nursing Home Interim Payments

Directs DCH to continue to provide nursing homes the opportunity to receive interim payments upon their request and that these payments are as similar to expected cost-settled payments as possible.

Sec. 1742. Hurley Medical Center Special Financing

Requires DCH to allow retention of up to \$100.00 in special Medicaid reimbursement funding by any public hospital that meets certain criteria. Only Hurley Medical Center meets the criteria.

Sec. 1752. Sharing of Third Party Liability Information With Health Plans

Requires DCH to provide Medicaid health plans with any information that may assist the health plan in determining whether another party may be responsible for the payment of health care benefits.

Sec. 1756. Medical Management of High Cost Medicaid Beneficiaries

Directs DCH to establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are not enrolled in a health plan and are noncompliant with medical management. The program shall provide a performance payment incentive for physicians and may include contractual arrangements with Medicaid HMOs for the provision of specialized case management services. The contracts may require collection of data related to Medicaid recipient compliance.

Sec. 1757. Medicaid Applicants, Legal Residence, and Fugitive Felon Status

Requires DCH to direct Department of Human Services to require Medicaid applicants to prove that they are residing legally in the United States and that they are residents of Michigan. Establishes intent that DCH seek clarification from federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver.

Sec. 1759. Federal Deficit Reduction Act Policy Changes

Requires DCH to implement the following policy changes included in the Federal Deficit Reduction Act of 2005: lengthening the look back policy for asset transfers, changing the penalty period to begin the day an individual applies for Medicaid, including a home equity threshold for Medicaid eligibility, and utilize Michigan's Medicaid False Claims Act to collect fraudulent Medicaid claims.

Sec. 1764. Actuarial Soundness Certification of Medicaid Health Plan Rates

Requires DCH to annually certify that rates paid to Medicaid health plans are actuarially sound and to notify the House, Senate, and fiscal agencies immediately upon rate certification and approval.

Sec. 1767. Pharmacist Payment Report

Requires DCH to evaluate and report on the impact of the change in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price, contingent upon the release of relevant data from the Center for Medicare and Medicaid Services.

Sec. 1770. Quarterly Medicaid Policy Changes

Specifies that DCH shall attempt to make adjustments to the Medicaid provider manual and effective dates for proposed Medicaid policy bulletins on October 1, January 1, April 1, or July 1 after the end of the consultation period.

Sec. 1772. Enrollment of Foster Care Children in HMOs

Requires DCH to continue a program which would enroll all foster care children in Michigan into a Medicaid HMO.

Sec. 1773. Nonemergency Transportation Services

Directs DCH to establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000, and provide a mileage reimbursement that encourages contractors to participate.

Sec. 1775. Long-Term Managed Care Pilot Programs

Requires DCH to provide progress report on ongoing efforts to implement long-term managed care pilot programs.

Sec. 1777. Nursing Home Dining Assistants

Directs DCH to permit nursing homes to use dining assistants to feed eligible residents, in accordance with federal and state law. DCH will not be responsible for training costs.

Sec. 1783. Dual-Eligibles In Managed Care

Directs DCH to develop rates by April 1, 2010 for enrollment of dual eligibles into Medicaid health plans if those health plans also maintain a Medicare Advantage special needs plan certified by CMS. Requires quarterly reports on status of rate development and the number of dual eligibles enrolled by month in Medicaid health plans.

Sec. 1786. Low-Day Threshold for Hospitals

Defines the reimbursement rate for inpatient admission services when the actual length of stay is less than the published low-day threshold. The reimbursement change shall not be implemented unless budget neutral. Requires DCH to define a low-day threshold of one as an inpatient stay of less than 24 hours. Requires that any adjustment of low-day outliers implemented by DCH include an appropriate adjustment to diagnosis-related group weights and prices, and requires information on cost savings associated with this implementation.

Sec. 1787. Medicaid Beneficiary Telephone Numbers Provided to Health Plans

Requires DCH, in coordination with Department of Human Services to obtain the telephone numbers of Medicaid beneficiaries and provide Medicaid health plans the telephone numbers of that health plan's enrollees on a monthly basis.

Sec. 1789. Nursing Home Occupancy Ceiling Study

Requires that DCH study whether the current nursing home ceiling of 85% is adequate, and report on its findings.

Sec. 1791. Physician Primary Care and Well Child Visit Funding Increase

Provides an increase of \$5,285,700 in the Physician Services line and Health Plan Services line for a Medicaid payment rate increase for certain physician primary care and well child visit procedure codes.

Sec. 1794. Hospital Per Person Per Diem Payment

Provides a \$100 placeholder to allow DCH to provide a per-person per-day reimbursement for a hospital located in a city with a population greater than 500,000.

Sec. 1796. Health Information Technology Commission Report On Medical Record Sharing

Requires DCH to direct the Health Information Technology Commission to examine strategies that promote the ability to share medical records and report on these findings.

Sec. 1802. Disease Management Pilot Project Targeting Medicaid Beneficiaries

Allows DCH to spend up to \$100,000 on a pilot program which would target Medicaid recipients who have certain high-cost or complex health conditions. The pilot would include financial incentives to primary care physicians who handle the disease management responsibilities.

Sec. 1804. Identification of Medicaid Beneficiaries Who Are War Veterans

Requires DCH, in cooperation with Department of Human Services, to work with the federal government's public assistance reporting information system to identify Medicaid recipients who are veterans and may be eligible for federal veteran's health care benefits.

Sec. 1812. Regional Healthcare Resource Sharing Network

Allocates up to \$100 to support a pilot project to develop a regional healthcare resource sharing network to encourage collaboration between local hospitals through sharing of best practices and resources. Pilot region to include 22 counties and 10 hospitals.

Sec. 1813. Program of All-Inclusive Care for the Elderly (PACE)

Directs DCH to inform county boards of commissioners in counties not presently served by PACE of the possibility of expansion of the program to their county.

Sec. 1815. Cap on Health Plan Capitation Withhold

Prohibits DCH from implementing a capitation withhold as part of overall health plan capitation rate schedule that exceeds the 0.19% withhold administered during FY 2008-09.

Sec. 1816. Use of Information Technology in Claims Processing

Requires DCH to work with Michigan Association of Health Plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. Medicaid and Preventable Medical Errors

Directs DCH to convene a workgroup of stakeholders to discuss implementing policy to prohibit billing for care made necessary by preventable medical errors or adverse health events and to report on findings and recommendations.

Sec. 1819. Health Plan Encounter Data and Hospital DRG Pricing Policy

Establishes legislative intent that, beginning in FY 2010-11, DCH use Encounter data from health plans in the development and revision of hospital diagnosis related group (DRG) pricing policy.

Sec. 1820. Accrediting Organizations for Medicaid Health Plans

Requires DCH to recognize accrediting organizations for Medicaid health plans and consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. Performance Standards for Medicaid Health Plans

Requires DCH to establish appropriate performance standards for Medicaid health plans at least one year in advance of the application of those standards. Determination of performance shall include recognized concepts such as one-year continuous enrollment and HEDIS audited data.

Sec. 1822. Coverage for Mental Health Prescription Drugs

Directs DCH, the DCH contracted pharmacy benefits manager, and Medicaid health plans to implement coverage for a mental health prescription drug within 30 days of that drug's approval by the DCH Pharmacy and Therapeutics Committee.

Sec. 1824. Residents of Homes for the Aged and Adult Foster Care and HCBS Program

Provides that individuals living in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the Home- and Community-Based Services (HCBS) waiver program.

Sec. 1825. Quality Assurance Assessment Programs for Medical Providers

Allows DCH to work in conjunction with relevant stakeholders to determine the feasibility of implementing Quality Assurance Assessment Programs (QAAP) targeted to certain medical services providers as permitted by federal law.

Sec. 1826. Expansion and Improvement of Beneficiary Monitoring Program

Requires DCH to develop a plan to expand and improve the beneficiary monitoring program to reduce unnecessary health care services, improve coordination of services, and improve compliance with prescribed medical management.

Sec. 1828. Medicaid Provider Rate Reductions

Reduces Medicaid payment rates for providers that were subject to the rate reductions in Executive Order 2009-22 by 8% from their levels on May 1, 2009. Directs DCH to reduce rates paid to Medicaid health plans to reflect savings from rate reductions. Asserts that if new revenue is generated to match federal Medicaid funds, the revenue shall be used to reduce or eliminate these rate reductions and to restore other FY 2009-10 reductions in DCH budget.

Sec. 1829. Coverage for Emergency Services

Directs DCH to continue its policy of providing coverage for emergency services notwithstanding the elimination of coverage for certain optional Medicaid services for adults.

FY 2008-09 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2009-22

1. Amount in Sec. 412 of Public Act 246 of 2008

Amount is reduced by \$157,105 related to funding for non-Medicaid substance abuse services.

2. Amount in Sec. 482 of Public Act 246 of 2008

Amount is reduced by \$11,251 related to funding for substance abuse treatment programs provided by Odyssey House.

3. Amount in Sec. 1031(1) of Public Act 246 of 2008

Amount is reduced to \$200,000 related to appropriations for traumatic brain injury pilot programs.

4. Amount in Sec. 1694 of Public Act 246 of 2008

Amount is reduced to \$521,300 related to funding for poison control services.

5. Amount in Sec. 1742 of Public Act 246 of 2008

Amount is reduced to \$750,000 related to Hurley Medical Center special Medicaid financing.

6. Amount in Sec. 1010 of Public Act 246 of 2008

Amount is reduced to \$150,000 related to osteoporosis prevention and treatment education funding.

7. Amount in Sec. 1109(1) of Public Act 246 of 2008

Amount is reduced by \$37,500 related to funding for a volunteer program of dental services for the uninsured.

8. Amount in Sec. 1132 of Public Act 246 of 2008

Amount is reduced to \$300,000 related to funding for the nurse family partnership program.

9. Amount in Sec. 1406 of Public Act 246 of 2008

Amount is reduced to \$4,787,500 related to appropriation of Merit Award Trust Fund monies for senior respite care.

PUBLIC ACT 79 OF 2009 SUPPLEMENTAL APPROPRIATIONS

Sec. 301. Pharmacy Dispensing Fee and Prescription Drug Copayments

EO 2009-22 included savings resulting from the elimination of a Medicaid pharmacy dispensing fee increase. PA 79 includes a repeal of Sec. 1620 in its entirety, but reinstates in Sec. 301 portions of the language not related to the dispensing fee increase.

Sec. 302. Review of WIC Contract Policies

Requires DCH to review contract policies for the Women, Infants, and Children Supplemental Nutrition program in an effort to maximize vendor participation while not undermining the amount of program resources available to individuals.

Sec. 1001.(1) Repealer - Sec. 1620 - Pharmacy Dispensing Fee and Prescription Drug Copayments

Repeals Sec. 1620 of Public Act 246 of 2008 related to a Medicaid pharmacy dispensing fee increase, which was eliminated by EO 2009-22. See also Sec. 301 above.

Sec. 1001.(2) Repealer - Sec. 1630 - Medicaid Podiatric, Dental and Chiropractic Services

Repeals Sec. 1630 of Public Act 246 of 2008 related to certain Medicaid optional services that were eliminated by EO 2009-22. Sec. 1630 continues podiatric, adult dental and chiropractic services at not less than the level in effect on October 1, 2002, prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year, authorizes DCH to implement bulk order purchasing of hearing aids, imposes limits on binaural hearing aid benefits, and limits replacement of hearing aids to once every three years.

Sec. 1001.(3) Repealer - Sec. 1634 - Continuation of Ambulance Services Rate Increases

Repeals Sec. 1634 of Public Act 246 of 2008 related to an ambulance Medicaid provider rate increase initiated in FY 2005-06, which was eliminated by EO 2009-22. Sec. 1634 requires continuation of FY 2000-01 5% increase in rates and continuation of the FY 2005-06 ambulance mileage reimbursement rate increase of \$4.25 per mile.

Sec. 1001.(4) Repealer - Sec. 1635 - Continuation of Medicaid Obstetrical Rate Increase

Repeals Sec. 1635 of Public Act 246 of 2008 related to a 4% Medicaid provider rate decrease included in EO 2009-22. Sec. 1635 requires continuation of a FY 2005-06 allocation of \$6,910,800 between Physician Services and Health Plan Services appropriation line items for the increase of Medicaid reimbursement rates for obstetrical services.

Sec. 1001.(5) Repealer - Sec. 1636 - Continuation of Medicaid Physician Well Child and Primary Care Procedures Rate Increase

Repeals Sec. 1636 of Public Act 246 of 2008 related to a 4% Medicaid provider rate decrease included in EO 2009-22. Sec. 1635 requires continuation of a FY 2006-07 allocation of \$23,874,800 between Physician Services and Health Plan Services appropriation line items for an increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes.