

FY 2016-17: DEPARTMENT OF HEALTH AND HUMAN SERVICES



Summary: As Reported by House Appropriations Committee Article X, House Bill 5294 (H-1)

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	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: House From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$13,551,600	\$13,513,700	\$13,663,700			\$112,100	0.8
Federal	18,422,113,900	17,730,579,000	17,908,814,900			(513,299,000)	(2.8)
Local	123,339,800	123,812,700	124,445,800			1,106,000	0.9
Private	156,409,100	156,259,300	154,259,300			(2,149,800)	(1.4)
Restricted	2,217,821,600	2,328,800,000	2,359,233,400			141,411,800	6.4
GF/GP	4,153,708,200	4,355,003,000	4,312,425,700			158,717,500	3.8
Gross	\$25,086,944,200	\$24,707,967,700	\$24,872,842,800			(\$214,101,400)	(0.9)
FTEs	15,443.0	15,560.5	15,560.5			117.5	0.8

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." 3) Revised Executive amount includes Executive Budget Revision 2017-1 issued on April 4, 2016.

Overview

The Department of Health and Human Services (DHHS) was created through the merger of the Department of Community Health (DCH) and the Department of Human Services (DHS) under Executive Order (EO) 2015-4. The Human Services portion of the DHHS budget includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. The Health Services portion of the DHHS budget provides funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
MEDICAID AND BEHAVIORAL HEALTH - GENERAL		
1. Traditional Medicaid Cost Adjustments	Gross \$13,077,804,300	\$336,024,900
<u>Executive</u> provides increase of \$338.7 million Gross (\$170.2 million GF/GP) for traditional Medicaid, MIChild, and Federal Medicare Pharmaceutical Program caseload, utilization, inflation, and financing adjustments. Total includes \$47.5 million GF/GP to offset decline in Federal Medical Assistance Percentage (FMAP) from 65.60% to 65.15% due to relative growth in state's personal income and includes \$29.8 million GF/GP reduction based on available federal Title XXI matching funds. Total caseload for traditional Medicaid program is projected at 1.65 million individuals. <u>House</u> revises Executive increase to \$336.0 million Gross (\$154.5 million GF/GP) by reducing children with serious emotional disturbance waiver cost projection adjustments \$2.6 million Gross (\$909,600 GF/GP), increasing GF/GP needed to offset declining FMAP \$304,200 GF/GP, and including a technical adjustment increasing federal authorization \$15.0 million in the health plan services line based on available Title XXI, enhanced FMAP for family planning, and Certified Public Expenditures to offset a like amount of GF/GP.	Federal 8,539,476,700	171,659,300
	Local 46,712,100	441,400
	Private 2,100,000	0
	Restricted 1,887,376,600	9,374,900
	GF/GP \$2,602,138,900	\$154,549,300

	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
Major Budget Changes From FY 2015-16 YTD Appropriations		
2. Healthy Michigan Plan (HMP) Cost Adjustments		
<u>Executive</u> includes reduction of \$513.3 million Gross (increase of \$108.6 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Gross reduction is due to both caseload levelling off at roughly 600,000 individuals and adjustments to managed care capitated rates. Beginning January 1, 2017, the federal match rate reduces from 100% to 95%, requiring \$108.6 million GF/GP increase. Executive utilizes \$95.0 million of Hospital QAAP Retainer savings described below to offset bulk of match costs. <u>House</u> revises Executive amount to also include non-GF/GP matching funds needed for HMP special Medicaid reimbursements.	Gross	\$4,120,201,500
	Federal	(648,129,600)
	Local	633,100
	Restricted	25,668,300
	GF/GP	\$108,578,000
3. Actuarial Soundness Adjustments		
<u>Executive</u> includes a net reduction of \$18.9 million Gross (\$4.6 million GF/GP) to provide \$54.8 million Gross (\$19.1 million GF/GP) for a 1.5% Medicaid health plans actuarial soundness adjustment, \$34.2 million Gross (\$11.9 million GF/GP) for a 1.5% Prepaid Inpatient Health Plans actuarial soundness adjustment, \$29.2 million Gross (\$1.1 million GF/GP) for a 2.0% Healthy Michigan Plan actuarial soundness adjustment, and a reduction of \$137.2 million Gross (\$36.7 million GF/GP) based on a one-year moratorium on the ACA health insurer fee beginning January 1, 2017. <u>House</u> reduces an additional \$446,000 GF/GP and increases a like amount of federal funds based on revised fund sourcing for the ACA insurer fee.	Gross	\$11,516,242,900
	Federal	(13,882,200)
	Local	0
	Restricted	0
	GF/GP	(\$5,029,400)
4. Medicaid Managed Care Use Tax and Health Insurance Claims Assessment Adjustments		
<u>Executive</u> reduces \$612.9 million Gross (\$198.6 million GF/GP) to reflect (1) discontinuation of Use Tax on Medicaid Managed Care Organizations (MCOs) and associated actuarial soundness payments of \$612.9 million Gross (\$140.4 million GF/GP) to MCOs on January 1, 2017 and (2) offset of \$58.2 million in GF/GP funds with restricted Health Insurance Claims Assessment (HICA) revenue from associated automatic increase in HICA from 0.75% to 1.0% on January 1, 2017. <u>House</u> reduces \$466.1 million Gross (\$181.5 million GF/GP) based on (1) updated MCO Use Tax projections and fund sourcing of \$466.1 million Gross (\$123.3 million GF/GP) and (2) concurs with HICA revenue projection.	Gross	NA
	Federal	(342,829,900)
	Restricted	58,187,300
	GF/GP	(\$181,463,800)
DEPARTMENTWIDE ADMINISTRATION		
5. DHHS Merger Line Item Changes, and Savings		
<u>Executive</u> includes numerous appropriation line item adjustments related to the 2015 merger creating DHHS, including consolidation of line items and appropriation units reflecting reorganization of programs and agencies, with no net impact on department appropriations; includes \$100,000 GF/GP unrelated reduction for Departmentwide savings. <u>House</u> concurs with most line item changes, and increases the reduction to \$3.0 million GF/GP as savings related to the merger.	Gross	NA
	GF/GP	(\$3,000,000)
6. Information Technology – Child Welfare Information System (MiSACWIS)		
<u>Executive</u> includes an increase of 50 FTEs and \$22.3 million Gross (\$7.7 million GF/GP), including \$10.8 million ongoing and \$11.5 million one-time funds, to continue implementation of improvements to the Michigan Statewide Automated Child Welfare Information System, to comply with new federal regulations and the Modified Settlement Agreement with Children's Rights, Inc., for improved monitoring of child protective services, and foster care and adoption cases. Year-to-date amount shown is for the Information Technology Projects and Services line item (although increase if provided in Departmentwide Administration line item). <u>House</u> provides \$17.4 million Gross (\$6.3 million GF/GP) for MiSACWIS improvements: \$8.8 million ongoing, and \$8.6 million one-time funds.	FTE	0.0
	50.0	
	Gross	\$17,408,500
	IDG	0
	TANF	4,323,300
	Federal	6,784,400
	Restricted	0
	GF/GP	\$6,300,800

	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
Major Budget Changes From FY 2015-16 YTD Appropriations		
7. Information Technology –Software Support and IT Service Model Change	Gross	\$201,717,400
<u>Executive</u> increases funding by \$7.2 million Gross (\$2.5 million GF/GP) for costs to support information technology and Medicaid Management Information systems including encryption and security software, Medicaid fraud detection software, and transition to the new DTMB financial model for the provision of information technology services across all departments. Year-to-date amount shown includes the Information Technology Projects and Services line item and the Michigan Medicaid Information Services line item. <u>House</u> concurs with the Executive.	IDG	1,067,000
	TANF	12,087,200
	Federal	105,285,900
	Private	20,000,000
	Restricted	1,985,800
	GF/GP	\$61,291,500
		\$7,198,300
		0
		0
		4,656,000
		0
		0
		\$2,542,300
8. Economic Adjustments	Gross	NA
<u>Executive</u> reflects increased costs of \$42.8 million Gross (\$17.1 million GF/GP) for the following economics adjustments for employees and other: negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially determined retirement rate increases, and increases for worker's compensation, building occupancy, and food for state hospitals, centers, and juvenile justice facilities. Economics adjustments are also included for administrative hearings system and information technology charges. <u>House</u> concurs and includes adjustments to support Executive Budget Revision 2017-1, with some modifications to fund sourcing, including removal or increases from capped federal sources.	IDG	NA
	TANF	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		\$42,842,000
		231,000
		2,433,600
		14,608,200
		658,800
		232,100
		835,900
		\$23,842,400
9. Discontinue 2010 Early Out Payouts	Gross	\$6,363,600
<u>Executive</u> recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; total reduction taken is \$6.4 million Gross (\$2.5 million GF/GP). <u>House</u> concurs with the Executive.	IDG	200
	TANF	995,400
	Federal	2,773,900
	Restricted	53,700
	GF/GP	\$2,540,400
		(\$6,363,600)
		(200)
		(995,400)
		(2,773,900)
		(53,700)
		(\$2,540,400)
10. Michigan 2-1-1	Gross	\$500,000
<u>House</u> provides \$950,000 GF/GP funding increase for Michigan 2-1-1 system including \$450,000 ongoing, and \$500,000 one-time for additional support during emergency and disaster events. (Michigan 2-1-1 YTD funding shown).	GF/GP	\$500,000
		\$950,000
		\$950,000
11. Inspector General Placeholder	Gross	\$20,188,500
<u>House</u> provides \$100 placeholder for costs related to Senate Bill 384, pending legislation to provide the Inspector General with limited arrest powers.	IDG	177,600
	TANF	782,200
	Capped	357,900
	Other Fed	11,356,600
	GF/GP	\$7,514,200
		\$100
		0
		0
		0
		0
		\$100
PUBLIC ASSISTANCE		
12. Food Assistance Program (FAP) Caseload Adjustment	Gross	\$2,419,025,900
<u>Executive</u> increases FAP caseload costs by \$13.8 million Gross (\$0 GF/GP) for FY 2016-17, in addition to a proposed supplemental caseload cost reduction for FY 2015-16 of \$84.7 million Gross (\$0 GF/GP), for a total reduction of \$70.9 million Gross (\$0 GF/GP) compared to the original enacted FY 2015-16 budget. Funding supports 795,400 cases at an average cost of \$246.01 per month; FAP caseload in December 2015 was 786,725. <u>House</u> concurs with Executive.	Federal	2,419,025,900
	GF/GP	\$0
		(\$70,908,500)
		(70,908,500)
		\$0
		\$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
13. Additional Public Assistance Caseload Adjustments	Gross	\$190,205,100	(\$5,389,200)
<u>Executive</u> decreases funding for other public assistance programs by \$5.4 million Gross (\$2.5 million GF/GP) as follows:	TANF	42,731,900	(1,470,300)
<ul style="list-style-type: none"> Family Independence Program (FIP) is reduced \$3.9 million Gross (\$953,600 GF/GP) adjusting the monthly caseload estimate from 25,473 cases at \$362.93 per month to 25,800 cases at \$365.61 per month. State Disability Assistance (SDA) is reduced by \$1.7 million GF/GP adjusting the monthly caseload estimate from 5,566 cases at \$209.88 per month to 4,900 cases at \$210.10 per month. State Supplementation is increased by \$163,300 GF/GP adjusting the monthly caseload estimate from 276,585 cases at \$19.04 per month to 277,300 cases at the same monthly rate. 	Restricted	48,029,600	(1,464,200)
<u>House</u> concurs with Executive.	GF/GP	\$99,443,600	(\$2,454,700)
14. Family Independence Program (FIP) Clothing Allowance Increase	Gross	\$2,880,000	\$4,770,000
<u>Executive</u> includes additional \$6.1 million federal TANF funding to expand the clothing allowance for FIP recipients to all school-age children receiving benefits instead of the current policy in which only children in "child-only" eligibility groups (adult caretakers not eligible for benefits) receive the clothing allowance. Program is currently appropriated \$2.9 million TANF funding. In addition, the annual benefit would be increased from \$140 per child to \$200. Adjusts boilerplate language to reflect changes (Sec. 669). <u>House</u> includes \$4.8 million additional TANF funding to expand program to all eligible FIP children; increases benefit to \$170 and adjusts boilerplate language.	TANF	2,880,000	4,770,000
	GF/GP	\$0	\$0
15. Multicultural Integration Funding	Gross	\$11,858,300	\$1,445,500
<u>Executive</u> increases funding by \$1.5 million GF/GP to various multicultural organizations that provide social services programs to specific populations. Organizations receiving additional funding include: Arab Community Center for Economic and Social Services (ACCESS), Arab Chaldean Council (ACC), the Jewish Federation, and the Chaldean Community Foundation (CCF). Section 295 is related boilerplate. <u>House</u> concurs with Executive.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$10,742,800	\$1,455,500
16. Maximize FAP Payments Through Heat and Eat Program	Gross	NA	\$141,307,400
<u>House</u> includes \$141.3 million Gross (\$3.2 million GF/GP) to support participation in the Heat and Eat program. The LIHEAP line item is increased by \$3.2 million GF/GP to make \$21 energy assistance payments to an estimated 150,046 FAP cases to give them the Standard Utility Allowance making them eligible for additional FAP benefits. The FAP line item is increased by \$138.2 million federal funding to recognize the additional FAP benefits that would be received (estimated as an average monthly increase of \$76.73); includes boilerplate language to allocate the \$3.2 million federal funding for \$21 payments to certain FAP recipients (Sec. 656).	Federal	NA	138,156,400
	GF/GP	NA	\$3,151,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
17. Child Welfare Caseload Adjustments	Gross	\$621,109,300	\$3,389,200
<u>Executive</u> increases funding for child welfare programs by \$3.4 million Gross (\$1.8 million GF/GP) as follows:	TANF	163,523,100	(3,578,800)
<ul style="list-style-type: none"> Foster care payments are increased by \$1.0 million Gross (reduction of \$8.7 million GF/GP) from 6,175 cases at \$27,877 per year to 5,950 cases at \$29,400 per year. Adoption subsidies are reduced \$6.0 million Gross (increase of \$723,300 GF/GP) from 25,064 cases at \$745.00 per month to 24,740 cases at \$734.64 per month. The Child Care Fund is increased \$6.3 million GF/GP. Guardianship assistance payments are increased by \$2.7 million Gross (\$3.5 million GF/GP) from 900 cases at \$825.94 per month to 1,280 cases at \$779.07 per month. Family Support Subsidies are reduced by \$682,200 Gross (\$0 GF/GP) from 6,616 cases at \$222.11 per month to 6,369 cases at the same monthly rate. 	Federal	191,130,500	5,525,100
<u>House</u> concurs with Executive.	Private	2,805,900	(381,900)
	Local	14,194,000	0
	GF/GP	\$249,455,800	\$1,824,800

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
18. Foster Care Residential and Administrative Rates – Eliminate County Hold-Harmless Provision	Gross	NA	\$0
<u>Executive</u> reduces funding by \$6.1 million Gross (\$5.2 million GF/GP) by rescinding the county hold-harmless provision that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013; also requires counties to pay 50% of the entire private residential rate and private agency administrative rate. <u>House</u> does not reduce funding and retains county hold-harmless policy for private foster care rates.	Federal	NA	0
	GF/GP	NA	\$0
19. County Prosecuting Attorney Contracts	Gross	\$2,561,700	\$500,000
<u>Executive</u> provides additional \$500,000 federal funding to recognize the increase in contracts with county Prosecuting Attorneys for legal services concerning child welfare cases. <u>House</u> concurs with Executive.	Federal	2,561,700	500,000
	GF/GP	\$0	\$0
20. Child Care Fund – Federal TANF and GF/GP Fund Source Shift	Gross	NA	\$0
<u>Executive</u> includes fund source shift of TANF and GF/GP funding in the Child Care Fund line item by replacing \$43.0 million TANF funding with \$43.0 million GF/GP. The GF/GP funding is available by replacing GF/GP in two line items with TANF in the following amounts: the Child Welfare Field Staff line item (\$28.8 million) and the Family Independence Program line item (\$15.0 million). Federal policy mandates that in-home care expenditures for youth in juvenile justice programs may no longer be funded with TANF or TANF MOE funding. The funding shift is net neutral to DHHS. <u>House</u> concurs with Executive.	TANF	NA	0
	GF/GP	NA	\$0
21. Family Preservation Programs	FTE	23.0	1.0
<u>Executive</u> includes 1.0 FTE position and an additional \$10.0 million federal Temporary Assistance for Needy Families (TANF) grant funds as one-time funding to expand the Parent Partner Program and the Family Reunification Program to additional counties; includes boilerplate language (Sec. 1909). <u>House</u> includes 1.0 FTE position and \$3.4 million TANF to fund the expansion of programs for one year and adjusts boilerplate language.	Gross	\$38,857,500	\$3,400,000
	TANF	38,274,300	3,400,000
	Federal	583,200	0
	GF/GP	\$0	\$0
22. Adoption Family Support Network Parent-to-Parent Program	Gross	\$350,000	(\$350,000)
<u>Executive</u> eliminates the \$350,000 GF/GP funding for the Parent-to-Parent program which provides parent mentoring to adoptive parents and children; eliminates boilerplate language concerning program funding (Sec. 559). <u>House</u> concurs with Executive.	GF/GP	\$350,000	(\$350,000)
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE			
23. In-Home Community Care Grants for Rural Counties	Gross	\$400,000	(\$400,000)
<u>Executive</u> eliminates the \$400,000 GF/GP funding for In-Home Community Care Grants which provides new grants for the expansion of in-home community-based programs for juvenile justice services in rural counties; eliminates boilerplate language concerning program funding (Sec. 587). <u>House</u> concurs with Executive.	GF/GP	\$400,000	(\$400,000)
24. Other House Program Reductions	Gross	NA	(\$1,500,000)
<u>House</u> reduces \$750,000 GF/GP funding for Fostering Futures Scholarship Grants, \$500,000 GF/GP funding for Emergency Services Local Office Allocations, and \$250,000 TANF for FIP Suspicion-Based Drug Testing Pilot.	TANF	NA	(250,000)
	GF/GP	NA	(\$1,250,000)
25. House Program Increases	Gross	NA	\$875,200
<u>House</u> includes \$875,000 GF/GP funding to increase various programs including: SSI Advocacy Legal Services (\$500,000), Food Bank Funding (\$250,000), Indigent Burial Program (\$75,000), and AgrAbility within Michigan Rehabilitation Services (\$50,000); also includes \$100 GF/GP placeholder for Pathways to Potential program and \$100 GF/GP for Sexual Assault Comprehensive Services Program grants.	GF/GP	NA	\$875,200
26. Capped Federal Revenues Fund Source	Gross	NA	\$0
<u>Executive</u> rolls the "Capped Federal Revenues" fund source into the general "Total Federal Revenues" fund source. <u>House</u> retains "Capped Federal Revenues" as a separate fund source.	Federal	NA	0
	GF/GP	NA	\$0

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
BEHAVIORAL HEALTH		
27. Community Mental Health Non-Medicaid Services	Gross	\$117,050,400
<u>House</u> provides \$1.8 million GF/GP to support a 1.5% inflationary increase in non-Medicaid mental health services provided through Community Mental Health Services Programs (CMHSPs).	GF/GP	\$117,050,400
		\$1,755,800
28. University Autism Programs	Gross	\$2,500,000
<u>House</u> reduces \$1.5 million GF/GP allocated for University Autism programs. University Autism program funding was moved from the One-Time Basis Unit in FY 2015-16.	GF/GP	\$2,500,000
		(\$1,500,000)
29. New Unit at Center for Forensic Psychiatry	FTE	556.3
<u>Executive</u> adds \$7.6 million GF/GP to fund additional unit to serve 30 patients. Center provides psychiatric treatment to criminal defendants ruled incompetent to stand trial and/or acquitted by reason of insanity. Adds new boilerplate Sec. 1059 that identifies outcomes and performance measures: average wait times for persons ruled incompetent to stand trial and number of persons waiting to receive services. <u>House</u> concurs with Executive.	Gross	\$72,538,000
	Federal	11,900
	Local	5,085,700
	Restricted	877,600
	GF/GP	\$66,562,800
		\$7,607,000
30. Autism Navigator	Gross	\$0
<u>Executive</u> includes \$1.1 million GF/GP in one-time funding for an assessment of the statewide rollout of the Medicaid Autism benefit and assistance to families of autistic children in finding services. Previously funded with \$1.5 million in one-time restricted funding for FY 2014-15. <u>House</u> concurs with Executive.	GF/GP	\$0
		\$1,125,000
31. Western Michigan University Opiate Prevention Pilot	Gross	\$0
<u>House</u> provides \$850,000 GF/GP, on a one-time basis, for Homer Stryker MD School of Medicine to identify relevant biomarkers that predict the risk of opioid abuse and overdose by analyzing archived blood samples from overdose cases. Also includes boilerplate Sec. 1911 allocating the funds and describing the pilot program.	GF/GP	\$0
		\$850,000
PUBLIC HEALTH		
32. Flint Declaration of Emergency	Gross	\$17,307,000
<u>Executive</u> provides \$15.1 million Gross (\$9.1 million GF/GP) in funding for evaluation and assistance to residents exposed to lead in the City of Flint, as one-time funding. This is a net reduction from the current Year-to-Date which includes two supplemental appropriations for Flint. FY 2016-17 funds are anticipated to be for partial year only. Services supported include food inspection of restaurants and public venues, nutritional services through existing programs, health services at child and adolescent health centers and schools, community mental health evaluation and care for children with elevated blood levels, and lead investigations and abatement planning for homes. Additional funding may be available for transfer from a \$50.0 million Flint Emergency Reserve Fund in the DTMB budget, as well as a \$6.1 million set aside in the DHHS budget, both proposed in a FY 2015-16 supplemental. <u>House</u> concurs with the Executive.	TANF	0
	Federal	2,845,000
	Restricted	3,552,000
	GF/GP	\$10,910,000
		(\$2,158,900)
33. Public Health – Federal Grant Increases	Gross	\$20,991,600
<u>Executive</u> recognizes \$1.2 million of increased public health federal funds including a new adult immunization program grant of \$517,400, stroke registry grant increase of \$390,000, and use of violence prevention grant carryforward funding of \$290,700 for suicide prevention and violent death reporting. <u>House</u> concurs with the Executive.	Federal	15,582,300
	Private	2,000,000
	Restricted	850,000
	GF/GP	\$2,559,300
		\$1,198,100
34. Public Health – House Reductions	Gross	NA
<u>House</u> makes the following reductions: reduces health innovations grants by \$500,000 GF/GP, eliminates \$250,000 for bone marrow transplant registry, and eliminates value of vaccines education matching program (\$2.5 million Gross, \$500,000 GF/GP) and related boilerplate.	Private	NA
	GF/GP	NA
		(\$3,250,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
35. Rural Home Visit Program	Gross	\$1,700,000	\$550,000
<u>House</u> restores \$550,000 GF/GP for prenatal and early childhood home visiting program in the Upper Peninsula and rural areas of the northern Lower Peninsula, for total funding of \$2.25 million. FY 2015-16 appropriation was reduced when unspent funds from the prior fiscal year were made available as a work project.	GF/GP	\$1,700,000	\$550,000
36. Alternative Pregnancy and Parenting Support Program	Gross	\$50,000	\$350,000
<u>House</u> increases alternative pregnancy and parenting support program from \$50,000 GF/GP to \$400,000 federal TANF grant funds, and establishes work project in related Sec. 1307 allowing any unspent funds to be used over future fiscal years.	TANF	0	400,000
	GF/GP	\$50,000	(\$50,000)
37. Traumatic Brain Injury Treatment Placeholder	Gross	NA	\$100
<u>House</u> includes a \$100 placeholder to support a project for use of traumatic brain injury assessment and treatment interactive software in hospitals, previously funded in FY 2014-15.	Federal	NA	0
	GF/GP	NA	\$100
38. Zika Virus Public Health Education	Gross	NA	\$150,000
<u>House</u> includes \$150,000 of IDG funding from the Department of Natural Resources for Zika virus education and outreach, prevention, detection, monitoring, screening and testing as recommended by the Centers for Disease Control and Prevention; includes related Sec. 1183 boilerplate.	IDG	NA	150,000
	GF/GP	NA	\$0
CRIME VICTIM SERVICES			
39. Crime Victim Assistance Services	Gross	\$33,999,800	\$44,279,300
<u>Executive</u> adds \$44.3 million to reflect increased federal grant award for crime victim justice assistance services including training and technical assistance for service providers, and direct services to crime victims. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. Year-to-date amount shown is all funding for Crime Victim Services Commission. <u>House</u> concurs with the Executive.	Federal	18,697,500	44,279,300
	Restricted	15,302,300	0
	GF/GP	\$0	\$0
AGING AND ADULT SERVICES AGENCY			
40. Implement Planned PACE Program Expansion	Gross	\$65,938,500	\$26,585,900
<u>Executive</u> increases the Program of All-Inclusive Care for the Elderly (PACE) line item by \$26.6 million Gross (\$9.3 million GF/GP) to fund additional slots at current PACE sites, and new slots to implement PACE expansion into Jackson County and Traverse City for qualified Medicaid recipients. Savings from the PACE expansion are assumed in the same amount from the Long Term Care Services line item for a net \$0 DHHS budget adjustment. Also transfers the PACE line item back to the Medical Services unit; PACE was transferred to Aging and Adult Services Agency in FY 2015-16 budget as part of the Department merger. <u>House</u> concurs with the Executive.	Federal	43,254,000	17,320,700
	GF/GP	\$22,684,500	\$9,265,200
41. Senior Community Services	Gross	\$39,013,900	\$836,700
<u>House</u> provides a 5% increase in GF/GP funds supporting community services for seniors, totaling \$836,700.	Federal	22,280,400	0
	GF/GP	\$16,733,500	\$836,700
42. Guardianship Rate Increase Placeholder	Gross	NA	\$100
<u>House</u> includes a \$100 placeholder to increase rates paid for guardianship services provided for legally incapacitated adults.	Federal	NA	0
	GF/GP	NA	\$100
MEDICAL SERVICES			
43. Healthy Michigan Plan Administration	FTE	36.0	0.0
<u>House</u> removes \$19.5 million Gross (\$5.6 million GF/GP) for the Healthy Michigan Plan call center, leaving a \$100 placeholder, and reduces Healthy Michigan Plan marketing and advertising \$1.0 million Gross (\$500,000 GF/GP). \$4.2 million in TANF allocated for the call center are used to offset GF/GP elsewhere in the DHHS budget.	Gross	\$68,878,600	(\$20,536,200)
	Federal	46,246,000	(10,208,800)
	TANF	4,180,000	(4,180,000)
	GF/GP	\$18,452,600	(\$6,147,400)

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change	
44. Integrated Service Delivery	Gross	NA	\$24,615,000
<u>Executive</u> adds \$49.2 million Gross (\$1.2 million GF/GP) for information technology costs to update and streamline the electronic application and enrollment process for services through DHHS. Ongoing funding is \$12.3 million Gross (\$1.2 million GF/GP) and one-time funding is \$36.9 million federal (including \$3.7 million in TANF funds). <u>Executive</u> also includes boilerplate Sec. 1506 describing the initiative and outlining outcomes and performance measures. <u>House</u> provides \$24.6 million Gross (\$615,400 GF/GP). \$923,100 in TANF savings compared to the <u>Executive</u> request are used to offset GF/GP elsewhere in the DHHS budget. <u>House</u> also renumbers boilerplate section to 1507.	Federal	NA	22,153,400
	TANF	NA	1,846,200
	GF/GP	NA	\$615,400
45. Hospital QAAP Retainer	Gross	\$0	\$0
<u>Executive</u> replaces one-time increase in GF/GP retainer savings from hospital Quality Assurance Assessment Program (QAAP) of \$92.9 million with ongoing retainer amount of \$105.0 million tied to Healthy Michigan Plan special hospital payments, for a net GF/GP savings of \$12.1 million. These adjustments require statute change. <u>House</u> concurs with <u>Executive</u> .	Restricted	92,856,100	12,143,900
	GF/GP	(\$92,856,100)	(\$12,143,900)
46. Special Hospital Payments – Healthy Michigan Plan (HMP)	Gross	\$638,056,100	(\$28,495,100)
<u>Executive</u> removes \$92.9 million Healthy Michigan Plan Hospital Rate Adjustment, which was provided to keep hospitals held harmless on the whole from the one-time Hospital QAAP retainer increase. <u>House</u> revises Healthy Michigan Plan Hospital Rate Adjustment from \$320.1 million to \$375.0 million and Medicaid Access to Care Initiative from \$318.0 million to \$234.5 million based on DHHS's projected payment levels. Matching funds for HMP special Medicaid reimbursements are required beginning January 1, 2017 (see item #2 for base HMP fund sourcing adjustment).	Federal	638,056,100	(27,426,600)
	Restricted	0	(1,068,500)
	GF/GP	\$0	\$0
47. Special Hospital Payments	Gross	\$208,799,300	\$0
<u>Executive</u> maintains payments at FY 2015-16 levels: \$162.9 million Gross (\$56.0 million GF/GP) for Graduate Medical Education, \$34.9 million Gross (\$12.0 million GF/GP) for Special Rural Hospitals, and \$11.0 million Gross (\$3.8 million GF/GP) for OB/GYN Hospital Lump Sum. <u>House</u> concurs with <u>Executive</u> .	Federal	136,972,300	0
	GF/GP	\$71,827,000	\$0
48. Specialty Drugs – Hepatitis C and Cystic Fibrosis	Gross	\$199,449,700	\$112,680,300
<u>Executive</u> adds \$194.6 million Gross (\$69.7 million GF/GP) to annualize costs for specialty drugs added to the Medicaid formulary in 2016 to treat Hepatitis C and Cystic Fibrosis. Total FY 2016-17 costs, including half-year costs added through FY 2015-16 legislative transfer, are \$394.1 million Gross (\$135.2 million GF/GP). Of total, \$327.8 million Gross (\$91.5 million GF/GP) is for estimated Hepatitis C treatment costs and \$66.3 million Gross (\$43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs; majority of Cystic Fibrosis treatment will be through Children Special Health Care Services. <u>House</u> provides \$112.7 million Gross (\$46.8 million GF/GP) to support a projected 5,250 persons receiving Hepatitis C treatments (revising the estimated full year cost to \$245.9 million Gross (\$68.6 million GF/GP)) and to concur with the <u>Executive</u> 's Cystic Fibrosis treatment costs.	Federal	133,934,900	65,886,800
	GF/GP	\$65,514,800	\$46,793,500
49. Specialty Drugs – Reserve Fund	Gross	\$0	\$43,041,600
<u>Executive</u> creates one-time reserve fund of \$86.1 million Gross (\$30.0 million GF/GP) for potential costs associated with release of other new specialty drugs in FY 2016-17. <u>House</u> provides \$43.0 million Gross (\$15.0 million GF/GP).	Federal	0	28,041,600
	GF/GP	\$0	\$15,000,000
50. Private Duty Nursing Rate Increase	Gross	NA	\$3,299,900
<u>House</u> includes \$3.3 million Gross (\$1.2 million GF/GP) to provide a 10% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. <u>House</u> also includes boilerplate Sec. 1702 to describe the rate increase.	Federal	NA	2,149,900
	GF/GP	NA	\$1,150,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
51. Healthy Kids Dental	Gross	\$219,139,400	\$25,601,000
<u>Executive</u> adds \$25.6 million Gross (\$8.9 million GF/GP) to complete expansion of Healthy Kids Dental, covering children ages 13 to 20 in Kent, Oakland, and Wayne Counties. Revises boilerplate Sec. 1894 to reflect expansion to children of all ages in those counties. Year-to-date amount shown is for full Dental Services line item. <u>House</u> concurs with Executive.	Federal	143,150,200	16,679,100
	GF/GP	\$75,989,200	\$8,921,900
52. Ambulance Quality Assurance Assessment Program (QAAP)	Gross	\$8,641,000	\$35,507,000
<u>Executive</u> expands QAAP-funded ambulance provider rate increase to managed care and Healthy Michigan Plan payments to ambulance providers. Executive also notes that the ambulance QAAP roll out has been delayed until April 1, 2016. <u>House</u> concurs and includes technical fund sourcing and authorization adjustments.	Federal	5,668,500	26,718,800
	Restricted	3,972,500	11,667,200
	GF/GP	(\$1,000,000)	(\$2,879,000)
53. Personal Care Services Rate Increase	Gross	\$11,762,300	\$717,400
<u>House</u> adds \$717,400 Gross (\$250,000 GF/GP) to provide a \$15 per month increase for adult foster care facilities and homes for the aged that provide personal care services to Medicaid beneficiaries.	Federal	7,716,100	467,400
	GF/GP	\$4,046,200	\$250,000
54. University of Detroit Dental Clinic Program	Gross	\$1,000,000	\$3,300,000
<u>House</u> adds \$3.3 million GF/GP for the University of Detroit Dental program. Total \$4.3 million allocation is distributed 50% on an ongoing basis and 50% on a one-time basis.	GF/GP	\$1,000,000	\$3,300,000
55. Merit Award Trust Fund Adjustment	Gross	NA	\$0
<u>Executive</u> offsets \$23.7 million in Merit Award Trust Fund revenue appropriated in the long term care services line item with GF/GP in order to redirect Merit Award Trust Fund revenue to pay costs related to Detroit Public Schools restructuring. <u>House</u> concurs with Executive.	Restricted	NA	(23,661,900)
	GF/GP	NA	\$23,661,900

ONE-TIME BASIS ONLY APPROPRIATIONS

56. Current Year One-Time Basis Only Appropriations	Gross	\$7,800,000	(\$7,799,900)
Removes the following one-time funding items that were included in the FY 2015-16 budget: \$1.5 million GF/GP for pay for success contracts, \$1.5 million GF/GP for Mental Health Commission recommendations, \$800,000 Gross (\$400,000 GF/GP) for employment and training support services, and \$1.5 million GF/GP for drug policy initiatives. Hospice services is reduced from \$2.5 million GF/GP to a \$100 placeholder.	Federal	400,000	(400,000)
	GF/GP	\$7,400,000	(\$7,399,900)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS

Sec. 204. Performance Metrics for New Programs or Program Increases – REVISED

Requires DHHS, in addition to metrics required under the Management and Budget Act, to identify program-specific metrics for new programs or enhancements in excess of \$1.0 million. Executive deletes. House current law with revised date.

Sec. 218. Basic Health Services – REVISED

Lists eight health services to be included in annual list of proposed basic health services that are to be available and accessible throughout the state, as required by Part 23 of the Public Health Code, 1978 PA 368. Executive deletes. House current law and revised to "not limited to" the eight health services.

Sec. 222. Notification and Report of Policy Changes – REVISED

Requires notification of policy changes 30 days before implementation; requires policy manual to be available on the DHHS website; and requires a report by April 1, 2016 on policy changes made to implement new public acts. Executive deletes. House current law but deletes 30 day notification (1).

Sec. 231. Travel Reimbursement to Local County Board Members and Directors – RETAINED

Allocates up to \$100,000 to reimburse counties for out-of-pocket travel costs of local county department board members and directors to attend one meeting each year of the Michigan County Social Services Association. Executive deletes. House current law.

Major Boilerplate Changes From FY 2015-16

Sec. 274. (1) Capped Funds Restriction on Use for Economics Adjustments – NEW

House adds language that the Executive shall not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included in the Governor's budget submission for the ensuing fiscal year.

Sec. 288. Services and Administrative Limitations for New Contracts – DELETED

Requires that after the first year of a contract, no less than 90% of a new department contract supported solely from state restricted or GF/GP funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services. Executive deletes. House concurs with the Executive.

Sec. 291. E-Verify – REVISED

Requires DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States. Executive deletes. House retains, deletes report.

Sec. 298. Behavioral Health Integration – NEW

Executive proposes new language would require funding for Medicaid behavioral health services currently provided to Prepaid Inpatient Health Plans (PIHPs) to be transferred to Medicaid health plans by the end of FY 2016-17. Provides for process for stakeholders to develop an integration plan and ensure continuity of care. Requires health plans to contract with existing CMHSPs for provision of specialty services and supports. Requires report describing the integration plan. House proposes alternate new language requiring the Department work with a workgroup to make recommendations on policy and financing to improve coordination of behavioral and physical health services, states goals to consider and requirements for a detailed plan, suggests use of a pilot, and requires updates and a final report on the workgroup's recommendations; states that no funding paid in past years to PIHPs shall be transferred or paid to any other entity without specific legislative authorization.

CHILDREN'S SERVICES – CHILD WELFARE

Sec. 501. Foster Care Time Limit Goals – REVISED

Establishes a goal that not more than 27% of foster children at any given time will have been in foster care for 24 months or more; Executive eliminates annual report. House revises goal from 27% to 25%.

Sec. 503. Child Welfare Performance-Based Funding – REVISED

Requires DHHS to continue to develop actuarially sound case rates for out-of-home child welfare services by DHHS and private providers. Executive deletes language that requires report on full cost analysis and that prohibits DHHS from phasing in the implementation of a performance-based funding model into additional counties unless the county and associated entities agree to implementation. House revises language to require cost analysis report only if not provided in previous fiscal year and retains language requiring county and associated entities' approval to implement the performance-based funding model.

Sec. 511. Physical and Mental Health Assessment Report – REVISED

Requires DHHS to track the number and percentage of foster children who received physical and mental health assessments. Executive deletes language; House revises language to require semi-annual reports rather than quarterly reports.

Sec. 513. Child Placements in Out-of-State Facilities – REVISED

Restricts placement of children in out-of-state facilities unless specified criteria are met. Executive deletes language that prohibits DHHS to fund child placement in an out-of-state facility without specified approval and language requiring annual report on per diem costs of each residential service provider in this state. House eliminates annual per diem costs report.

Sec. 514. Child Protective Services Report – REVISED

Requires report on Child Protective Services; lists specific information and statistics to be included in the report. Executive deletes language; House revises language by changing reporting date from January 1 to March 1.

Sec. 515. Kent County Privatization Implementation – DELETED

Requires report that provides an update on the privatization of child welfare services in Kent County. Executive deletes language; House concurs with the Executive.

Sec. 519. Treatment Foster Care – RETAINED

Requires DHHS to permit private agencies with existing contracts to provide treatment foster care services. Executive deletes language; House retains language.

Sec. 522. Fostering Futures Scholarship Program – DELETED

Allocates \$750,000 to the Fostering Futures Scholarship Program for youth transition from foster care who are attending college; requires report. Executive retains language; House deletes language.

Sec. 525. On-Site Evaluations – RETAINED

Requires DHHS to use the same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities. Executive deletes language; House retains language.

Sec. 532. Licensing and Contract Compliance Review – REVISED

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes. Executive deletes language; House revises language by striking language that requires that DHHS not conduct licensing reviews more than once every 2 years for certain agencies.

Major Boilerplate Changes From FY 2015-16

Sec. 533. Child Welfare Payment Promptness – REVISED

Directs DHHS to make payments to child placing agencies within 30 days after receiving documentation for out-of-home care and in-home care services; requires report. Executive deletes language; House revises language referring to the recipients of the report.

Sec. 540. Psychotropic Medication For Youth in Out-of-Home Placements – RETAINED

Requires DHHS to determine within 7 days whether to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, to seek parental consent within 7 business days for a temporary court ward, or to petition the court on the eighth business day if parental consent is not provided. Executive deletes language; House retains language.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHHS; establishes general independent living administrative rate of \$28; requires payments for independent living plus services at the statewide per diem; increases administrative rate for foster care services by \$3, provided that the county match rate is eliminated for this increase; requires DHHS to provide an increase to each private provider of residential services, provided that the county match rate is eliminated for this increase. Executive eliminates language requiring \$3.00 administrative rate increase to private foster care providers and language requiring an increase to private residential service providers; also strikes language that eliminates the county match requirements for these rate increases. House revises language by striking language concerning the \$3.00 rate increase and increasing the base administrative rate from \$37 to \$40; requires DHHS to pay 100% of the administrative rate to providers of foster care services; requires quarterly report on number of foster care cases administered by DHHS and by private providers.

Sec. 558. Child Welfare Training Institute Report – RETAINED

Requires DHHS to maximize use of training programs or courses provided through the Child Welfare Training Institute and requires courses be made available to employees of private service providers. Executive deletes language that requires report on the training programs and courses provided; House concurs with the Executive.

Sec. 562. Time and Travel Reimbursements for Foster Parents – RETAINED

Requires time and travel reimbursements for foster parents who transport foster children to parent-child visitation. Executive deletes language; House retains language.

Sec. 564. Parent-Child and Parent-Caseworker Visitations – REVISED

Requires DHHS to develop policy for parent-child visitations, requires local offices to meet a 50% success rate, after accounting for factors outside of the caseworker's control; requires caseworkers to achieve a success rate of 65% for parent-caseworker visitations, after accounting for factors outside of the caseworker's control. Executive deletes language; House retains language but changes date of report to March 1.

Sec. 567. Medical Passports – RETAINED

Requires foster care caseworkers to complete medical passports and requires medical passport to be transferred within 2 weeks from date of placement or return home. Executive deletes language; House retains language.

Sec. 568. Adoption Subsidy Negotiations – RETAINED

Requires DHHS to pay a minimum adoption subsidy rate that is not less than 95% of the family foster care rate, including the determination of care rate. Executive deletes language; House retains language.

Sec. 585. Private Agency Staff Training – RETAINED

Requires DHHS to make available at least 1 pre-service training class each month for caseworkers of private agencies. Executive deletes language; House retains language.

Sec. 589. Payment of Foster Care Administrative Rate – DELETED

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers beginning October 1, 2013. Executive deletes language; House moves language into Sec. 546.

Sec. 593. Residential Service Providers Staff Ratio – RETAINED

Allows residential service providers for abuse and neglect cases to implement staff ratios of 1 staff to 5 children during waking hours. Executive deletes language; House retains language.

PUBLIC ASSISTANCE

Sec. 613. Indigent Burial – REVISED

Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements; Executive retains language; House revises language to require that the adult burial with services allowance for reimbursement shall be \$725, the adult burial without services allowance shall be \$490, and the infant burial allowance shall be \$170.

Sec. 614. SDA Recipients Eligible for SSI Benefits – RETAINED

Requires report on number of SDA recipients determined eligible for federal SSI benefits in previous year. Executive deletes language; House retains language.

Major Boilerplate Changes From FY 2015-16

Sec. 617. Law Enforcement Information Network (LEIN) Report – DELETED

Requires report on the number and percentage of persons no longer eligible for public assistance because of their status in LEIN. Executive deletes language; House concurs with the Executive.

Sec. 625. Legal Services Association of Michigan – REVISED

Permits DHHS to contract with Legal Services Association of Michigan to provide assistance to individuals who have applied or wish to apply for federal disability benefits. Executive deletes language; House revises language to provide that up to \$500,000 shall be paid to Legal Services Association of Michigan for SSI advocacy legal services.

Sec. 672. Electronic Benefit Transfer Card Abuse Report – RETAINED

Requires DHHS to report on efforts to reduce inappropriate use of Bridge Cards by program recipients and retailers. Executive deletes language; House retains language.

Sec. 673. MiBridges Fraud Workgroup – DELETED

Requires DHHS to conduct a work group with the Departments of State and State Police to investigate minimizing fraud in the MiBridges benefits programs. Executive deletes language; House concurs with the Executive.

CHILDREN'S SERVICES – JUVENILE JUSTICE

Sec. 701. Residential Facility Contracts – RETAINED

Unless required from changes to federal or state law or at the request of a provider, prohibits signed contracts with private residential facilities to be altered without written consent from a representative of the private residential facility. Executive deletes language; House retains language.

Sec. 708. County Spending Plan Required – REVISED

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan by October 1 of each year; approval must be obtained prior to December 15; Executive eliminates required report on number of plans not submitted by the deadline and number of plans not approved. House revises language to only require report if 1 or more counties do not submit spending plan.

Sec. 719. Legislative Notification of Juvenile Justice Changes – DELETED

Requires DHHS to notify the Legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility, including licensed bed capacity and operating bed capacity. Executive deletes language; House concurs with the Executive.

Sec. 721. Residential Facility of Last Resort – DELETED

If demand exceeds capacity at state-operated facilities, requires DHHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive deletes language; House concurs with the Executive.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 805. Order of Selection – RETAINED

States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. Executive deletes language; House retains language.

BEHAVIORAL HEALTH SERVICES

Sec. 920. Rate-Setting Process for PIHPs – NEW

House requires that the Medicaid rate-setting process for PIHPs include any state minimum wage increases; also states legislative intent that any Medicaid rate increase be also distributed to direct care employees.

Sec. 924. Timely Claims Process for PIHPs – DELETED

Requires that PIHPs contracting with DHHS 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 the Social Welfare Act. Executive and House delete language.

Sec. 960. University Autism Programs – REVISED

Requires DHHS to allocate funds appropriated for university autism programs through a grant process. Executive adds outcomes and performance measures: increase in behavioral analysts certified from a program, autism diagnosis services provided, and employment rate of employment program participants. House also adds requirement for universities to track and report initial employment of certified applied behavioral analysts.

Sec. 1010(2). Redistribution of Lapsed Funds – RETAINED

States intent that any lapsed funds from appropriation for Medicaid Mental Health Services be redistributed to individual CMHSPs and requires report on lapse amounts. Executive deletes; House retains language and renumbers to Sec. 1011.

Major Boilerplate Changes From FY 2015-16

Sec. 1010. Kevin's Law – NEW

Executive allocates \$2.0 million to address implementation of court ordered assisted outpatient treatment under the Mental Health Code (Kevin's Law). House concurs with Executive.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1057. Hawthorn Center Appraisal – NEW

House requires DHHS to secure an appraisal of the Hawthorn Center and develop a proposal for possible replacement of the facility at the same or new location.

PUBLIC HEALTH ADMINISTRATION

Sec. 1102. School Children's Healthy Exercise Program – RETAINED

Allocates \$1.0 million for the school children's healthy exercise program for children kindergarten through grade 8, which shall incorporate evidence-based best practices. Executive deletes. House current law, and moves to Sec. 1226.

Sec. 1103. Health and Wellness Initiatives Criteria – RETAINED

Requires DHHS to establish criteria for Health and Wellness Initiatives project allocations, which shall include that programs funded be evidence-based, supported by research, include interventions that lower cost and improve quality, and have statewide impact. Executive deletes. House current law, and moves to Sec. 1227.

HEALTH POLICY

Sec. 1140. Free Health Clinic Funding – RETAINED

Allocates \$250,000 to free health clinics from the funds appropriated for primary care services. Requires DHHS to distribute funds equally to each free health clinic. Executive deletes. House current law.

Sec. 1145. Payments to Indian or Tribal Facilities for Medical Services – DELETED

Directs DHHS to take steps necessary to assure that Indian Health Service, Tribal or Urban Indian Health Program facilities receive the maximum amount allowable under federal law for Medicaid services. Executive deletes. House concurs with the Executive.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1300. Report of Sexual and Maternal Health Demographics and Expenditures by Marital Status – REVISED

Requires report of an estimate of public funds administered for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births. Executive deletes. House revises to require DHHS to monitor, and provide report upon request.

CRIME VICTIM SERVICES COMMISSION

Sec. 1380. Allocation of Funds for Forensic Nurse Examiner Programs – RETAINED

Requires DHHS to use justice assistance grants appropriations to continue to support forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. Executive deletes. House retains, moves to Sec. 451.

MEDICAL SERVICES ADMINISTRATION

Sec. 1502. Transparency Database Website – DELETED

Requires DHHS to spend available work project revenue and any associated federal match to create a transparency database website and states the funding is contingent on enabling legislation. Executive and House delete language.

MEDICAL SERVICES

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees and requires prescription co-payments for certain Medicaid and Healthy Michigan Plan (HMP) recipients. Executive revises to state that co-payments shall be consistent with the terms and conditions established by the Centers for Medicare and Medicaid Services linked to the HMP waiver. House concurs with Executive and replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015.

Sec. 1631. Medical Services Co-payments – REVISED

Requires co-payments on dental, podiatric, and vision services requires co-payments for office visits for certain Medicaid and HMP recipients. Executive and House revise to state that co-payments shall be consistent with the terms and conditions established by the Centers for Medicare and Medicaid Services linked to the HMP waiver.

Sec. 1645. Nursing Home QAAP Calculation – NEW

House requires DHHS to review and recalculate the nursing home QAAP calculation to reflect actual days of care instead of projected days of care by each nursing home and hospital long-term care unit.

Major Boilerplate Changes From FY 2015-16

Sec. 1670. MICHild Program Eligibility – REVISED

Establishes eligibility standards and other provisions for the MICHild Program. Executive and House revise to remove various specific program operation-related requirements.

Sec. 1701. Direct Primary Care Pilot – NEW

House permits DHHS to pilot a direct primary care program; outlines outcomes and performance measures for pilot program.

Sec. 1703. Maximizing Medicaid Funding for Children Eligible for Early On – NEW

House requires DHHS to commission a study on funding strategies that would maximize Medicaid reimbursement for children eligible for Early On services, requires a report on finding.

Sec. 1704. Prior Authorization for Certain Drugs – NEW

House prohibits DHHS and its contractual agents from requiring prior authorization for psychotropic medications and drugs for the treatment of cancer, HIV-AIDS, epilepsy/seizure disorder, or organ transplant therapy; defines "prior authorization."

Sec. 1801. Primary Care Rates – REVISED

Requires DHHS to use \$33.3 million GF/GP plus associated federal match to continue to increase Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care. Executive retains language; House adds neonatal medicine subspecialty to the list of primary care providers eligible for the rate increase.

Sec. 1805. Graduate Medical Education (GME) Quality Data – REVISED

Requires hospitals receiving GME payments to submit quality data to a specified national nonprofit organization utilizing consensus-based nationally endorsed standards and requires DHHS to withhold fourth quarter GME payments if data is not submitted. Executive deletes language; House revises to permit hospitals to submit quality data to CMS Hospital Compare and strikes fourth quarter withhold provision.

Sec. 1809. Health Plan Performance Standards – DELETED

Requires DHHS to establish separate contract performance standards for Medicaid health plans that adhere to the requirements of the Social Welfare Act associated with the 0.25% and 0.75% capitation withhold amounts. Executive and House delete language.

Sec. 1812. Graduate Medical Education Program Costs – REVISED

Requires hospitals receiving GME funds to submit report on direct and indirect costs associated with the residency training program; also requires report on marginal cost of adding one additional training slot, additional administrative costs, and postresidency retention rate; requires DHHS to hold a GME recipient's fourth quarter payment until required information is submitted; requires workgroup and report on metrics for distribution of GME funds, with intent that those metrics will be used to distribute GME funds beginning with FY 2016-17; provides for DHHS to seek a federal waiver to fulfill the requirements of the section if needed. Executive adds State Budget Office to report recipients. House concurs with Executive and requires DHHS to complete the report from most recent cost reports, to develop a template for hospitals to use for marginal and administrative costs, and strikes fourth quarter GME payment withhold.

Sec. 1861. Nonemergency Medical Transportation Pilot – REVISED

Requires DHHS to encourage cooperation between Medicaid health plans, other health providers, and nonprofit entities to help facilitate a pilot nonemergency transportation system. Executive deletes language; House revises language for continued facilitation.

Sec. 1870. MIDocs Consortium – REVISED

Requires DHHS to establish the MIDocs consortium, consisting of Michigan-based medical schools, with purpose of developing freestanding residency training programs in primary care and other ambulatory care-based specialties. Executive deletes language; House revises language for DHHS to continue to work with MIDocs consortium.

ONE-TIME BASIS APPROPRIATIONS

Sec. 1912. Mobile Electronic Service Verification Study – NEW

House provides \$25,000 to commission a study to review the outcomes and performance improvements of developing and piloting a mobile electronic biometric identity verification product for home help services.