

**FY 2017-18: DEPARTMENT OF HEALTH AND HUMAN SERVICES**



**Summary: Conference Report  
Article X, House Bill 4323 (H-1) CR-1**

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	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	<i>Difference: Conference From FY 2016-17 YTD</i>	
						<i>Amount</i>	<i>%</i>
<b>IDG/IDT</b>	\$13,513,700	\$13,640,900	\$13,640,900	\$13,640,900	\$13,640,900	\$127,200	0.9
<b>Federal</b>	17,905,772,200	18,351,244,100	18,105,315,100	18,346,518,000	18,365,748,000	459,975,800	2.6
<b>Local</b>	124,445,800	118,751,000	117,033,600	113,270,900	116,545,300	(7,900,500)	(6.3)
<b>Private</b>	154,259,300	149,873,300	149,873,300	149,873,300	149,875,700	(4,383,600)	(2.8)
<b>Restricted</b>	2,294,167,500	2,442,169,800	2,442,169,800	2,426,832,800	2,434,439,800	140,272,300	6.1
<b>GF/GP</b>	4,392,732,800	4,461,735,400	4,343,714,300	4,351,065,600	4,367,381,900	(25,350,900)	(0.6)
<b>Gross</b>	<b>\$24,884,891,300</b>	<b>\$25,537,414,500</b>	<b>\$25,171,747,000</b>	<b>\$25,401,201,500</b>	<b>\$25,447,631,600</b>	<b>\$562,740,300</b>	<b>2.3</b>
<b>FTEs</b>	15,600.5	15,620.5	15,472.0	15,345.4	15,617.5	17.0	0.1

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Health and Human Services (DHHS) was created in 2015 through the merger of the Department of Community Health and the Department of Human Services under Executive Order 2015-4. 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, funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

**Major Budget Changes From FY 2016-17 YTD Appropriations**

**MEDICAID AND BEHAVIORAL HEALTH - GENERAL**

**1. Traditional Medicaid Cost Adjustments**

Executive provides increase of \$168.2 million Gross (\$120.1 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments of approximately 1.25% Gross. Total includes \$43.1 million GF/GP to offset decline in federal match rate from 65.15% to 64.78% due to relative growth in state's personal income. Also includes cost adjustment for the federal Medicare pharmaceutical clawback. House revises Executive cost adjustments down by \$100.4 million Gross (\$35.4 million GF/GP). Senate revises Executive cost adjustments down by \$68.0 million Gross (\$35.3 million GF/GP). Conference revises cost estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
<b>Gross</b>	<b>\$13,420,787,900</b>	<b>\$86,655,500</b>
Federal	8,713,156,200	48,342,900
Local	47,005,700	241,400
Private	2,100,000	0
Restricted	1,884,179,700	(7,245,300)
GF/GP	\$2,774,346,300	\$45,316,500

**2. Healthy Michigan Plan Cost Adjustments**

Executive provides increase of \$434.5 million Gross (\$80.2 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments of approximately 12% Gross. Total includes \$55.2 million GF/GP to offset the decline in the federal match rate from 96.25% to 94.25%. House concurs with the Executive. Senate revises Executive cost adjustments up by \$134.5 million Gross (\$7.7 million GF/GP). Conference revises cost estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
<b>Gross</b>	<b>\$3,519,320,900</b>	<b>\$519,587,400</b>
Federal	3,388,487,600	422,304,500
Local	633,100	0
Restricted	119,599,800	12,191,200
GF/GP	\$10,600,400	\$85,091,700

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>	<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>3. Actuarial Soundness Adjustments</b>	<b>Gross \$11,107,957,000</b>	<b>\$86,600,800</b>
<u>Executive</u> includes \$253.6 million Gross (\$63.0 million GF/GP) to provide two actuarial soundness adjustments. First, \$86.6 million Gross (\$23.5 million GF/GP) to support a 1% actuarial soundness adjustment for Medicaid health plans, prepaid inpatient health plans (PIHPs), and Healthy Kids Dental. Second, \$167.0 million Gross (\$39.5 million GF/GP) to keep the Medicaid health plans actuarially sound for reinstatement of the federal Affordable Care Act (ACA) Insurer Fee. <u>House</u> includes funding for a 1% actuarial soundness adjustment but assumes the ACA Insurer Fee is not reinstated. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	Federal 8,441,473,400	63,131,900
	Local 40,773,100	0
	Restricted 1,352,921,900	0
	GF/GP \$1,272,788,600	\$23,468,900
<b>4. Medicaid Managed Care Use Tax Adjustments</b>	<b>Gross NA</b>	<b>(\$157,891,000)</b>
<u>Executive</u> reduces \$157.9 million Gross (\$62.2 million GF/GP) to reflect, beginning January 1, 2017, discontinuation of Use Tax on Medicaid Managed Care Organizations (MCOs), associated actuarial soundness reimbursement payments to MCOs, and the Health Insurance Claims Assessment (HICA) increasing from 0.75% to 1.0%. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal NA	(116,240,400)
	HICA NA	20,572,500
	GF/GP NA	(\$62,223,100)
<b>5. Health Insurance Claims Assessment Adjustments</b>	<b>Gross \$249,541,300</b>	<b>\$0</b>
<u>Executive</u> offsets \$129.9 million GF/GP with available HICA, of which \$59.0 million is from forecasted annual revenues, including not having a HICA rebate to be paid out during FY 2017-18. The other \$70.9 million utilizes available year-end fund balance to offset GF/GP. Revenues are in addition to the \$20.6 million in HICA revenue from increasing the rate from 0.75% to 1.0% related to the discontinuation of the MCO Use Tax described in item #4. Total forecasted FY 2017-18 annual HICA revenue is \$331.3 million. <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> utilizes \$61.0 million in year-end balance instead of \$70.9 million.	HICA 249,541,300	120,030,100
	GF/GP \$0	(\$120,030,100)
<b>DEPARTMENTWIDE ADMINISTRATION</b>		
<b>6. Integrated Service Delivery Project</b>	FTEs 15.0	27.0
<u>Executive</u> provides net increase of 27.0 FTEs and \$8.2 million Gross (reduces \$177,700 GF/GP) to support Phase 2 of the Integrated Service Delivery project, including an additional \$45.1 million Gross (\$3.5 million GF/GP) in ongoing funding and removal of \$36.9 million Gross (\$3.7 million GF/GP) in one-time FY 2016-17 funding. <u>House</u> provides increase of \$22.5 million Gross (\$1.8 million GF/GP) and concurs with removal of one-time funding for a net reduction of \$14.4 million Gross (\$1.9 million GF/GP). <u>Senate</u> provides \$100 GF/GP placeholder for ongoing funding and concurs with removal of one-time funding. <u>Conference</u> concurs with the Executive.	<b>Gross \$43,230,500</b>	<b>\$8,167,300</b>
	Federal 38,907,500	8,345,000
	GF/GP \$4,323,000	(\$177,700)
<b>7. Financial Operations Administration Staffing</b>	FTEs 494.0	19.0
<u>Executive</u> includes increase of \$1.8 million Gross (\$912,500 GF/GP) to add 19.0 FTEs to the Department's financial operations administration, including 9.0 FTEs for finance, accounting, budget, and grants, and 10.0 FTEs for SIGMA coordination and support. SIGMA is the Statewide Integrated Governmental Management Applications project underway to replace and improve the state's financial data system. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross \$57,728,700</b>	<b>\$1,824,900</b>
	TANF 9,090,400	0
	Federal 24,527,200	912,400
	Restricted 1,129,000	0
	GF/GP \$22,982,100	\$912,500
<b>8. Economic Adjustments</b>	<b>Gross NA</b>	<b>\$16,186,500</b>
<u>Executive</u> reflects increased costs of \$16.2 million Gross (\$9.0 million GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, building occupancy charges, food, fuel and utilities for facilities, other economic adjustments, and reduced costs for worker's compensation. Total includes economics increases of \$27.9 million Gross (\$13.8 million GF/GP) and removal of lump sum payment totaling \$11.7 million Gross (\$4.8 million GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	IDG NA	112,400
	TANF NA	1,852,700
	Federal NA	4,696,800
	Local NA	204,500
	Private NA	21,400
	Restricted NA	312,900
	GF/GP NA	\$8,985,800

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>9. Information Technology - MiSACWIS One-Time Funding</b>	<b>Gross</b>	<b>\$11,538,600</b>	<b>(\$11,538,600)</b>
<u>Executive</u> eliminates one-time funding of \$11.5 million Gross (\$5.8 million GF/GP) for improvements to the Statewide Automated Child Welfare Information System (MiSACWIS). Ongoing funding is maintained for the system and for continued implementation of court-ordered improvements for child welfare case monitoring. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	5,769,300	(5,769,300)
	GF/GP	\$5,769,300	(\$5,769,300)
<b>10. Merger Savings</b>	<b>Gross</b>	<b>\$7,956,500</b>	<b>\$0</b>
<u>House</u> assumes savings resulting from the 2015 merger creating the Department with a reduction to the Departmental Administration and Management line item of \$3.0 million GF/GP. <u>Senate</u> assumes savings of \$3.1 million GF/GP, included as a negative line item in the Departmentwide Administration appropriation unit, and reduces FTEs by 27.8. <u>Conference</u> includes \$1.0 million GF/GP savings in Worker's Compensation program, offset by a federal funding increase of the same amount. YTD shown reflects Worker's Compensation program.	TANF	467,700	0
	Federal	1,116,900	1,000,000
	GF/GP	\$6,371,900	(\$1,000,000)
<b>11. Employment First</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
<u>Conference</u> includes \$500,000 to provide technical assistance related to the objectives of Executive Order 2015-15 for community rehabilitation and employment and transition from education to employment for individuals with disabilities. Sec. 315 is related new boilerplate	GF/GP	\$0	\$500,000
<b>HUMAN SERVICES</b>			
<b>12. Public Assistance Caseload Adjustments</b>	<b>Gross</b>	<b>\$171,482,200</b>	<b>(\$19,032,200)</b>
<u>Executive</u> reduces funding for public assistance programs by \$22.4 million Gross (\$4.6 million GF/GP) as follows:	Federal	54,285,100	(11,183,600)
<ul style="list-style-type: none"> <li>Family Independence Program (FIP) is reduced \$21.7 million Gross (\$4.0 million GF/GP) adjusting the monthly caseload estimate from 21,600 cases at \$376.81 per month to 17,000 cases at \$372.61 per month.</li> <li>State Disability Assistance (SDA) is reduced by \$131,400 Gross (\$73,100 GF/GP) adjusting the monthly caseload estimate from 4,500 cases at \$213.96 per month to 4,350 cases at \$218.82 per month.</li> <li>State Supplementation is reduced by \$562,600 GF/GP adjusting the monthly caseload estimate from 274,077 cases at \$18.93 per month to 271,600 cases at the same monthly rate.</li> </ul>	Restricted	16,269,600	(857,900)
<u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> revises funding estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	GF/GP	\$100,927,500	(\$6,990,700)
<b>13. Child Welfare Caseload Adjustments</b>	<b>Gross</b>	<b>\$619,918,000</b>	<b>(\$8,010,500)</b>
<u>Executive</u> decreases funding for child welfare programs by \$9.8 million Gross (\$1.8 million GF/GP) as follows:	Federal	312,887,400	(9,274,800)
<ul style="list-style-type: none"> <li>Foster care payments are increased by \$178,300 Gross (\$2.2 million GF/GP) from 5,907 cases at \$28,351 per year to 5,653 cases at \$30,655 per year.</li> <li>Adoption subsidies are reduced \$11.5 million Gross (\$5.3 million GF/GP) from 24,637 cases at \$735.83 per month to 23,457 cases at \$732.07 per month.</li> <li>The Child Care Fund is increased by \$993,000 GF/GP.</li> <li>Guardianship assistance payments are increased by \$851,100 Gross (\$305,500 GF/GP) from 1,162 cases at \$778.15 per month to 1,280 cases at \$761.82 per month.</li> <li>Family Support Subsidies remain funded at same level as FY 2016-17 with 6,360 cases at the same monthly rate of \$222.11.</li> </ul>	Private	2,424,000	505,800
<u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> revises funding estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	Local	14,194,000	50,900
	GF/GP	\$290,412,600	\$707,600

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>14. Homeless Emergency Shelter Per Diem Rate</b>	<b>Gross</b>	<b>\$15,721,900</b>	<b>\$3,744,800</b>
<u>Executive</u> increases funding by \$3.7 million GF/GP to fund an increase to the per diem rate provided to emergency shelters from \$12 to \$16 per bed night. Adds boilerplate Sec. 453 directing that additional funding support the increase in the capacity of shelters to assist clients in applying for permanent housing and other social services. <u>House</u> concurs with the Executive but funds increase with both GF/GP and TANF funding. <u>Senate</u> includes \$100 placeholder. <u>Conference</u> concurs with the House.	TANF	7,102,600	1,497,900
	GF/GP	\$8,619,300	\$2,246,900
<b>15. Transfer Crime Victim Rights to Attorney General</b>	FTE	13.0	0.0
<u>Senate</u> transfers the 3 crime victim rights and services administration and grants line items and the associated 13.0 FTEs and \$78.3 million Gross (\$15.3 million GF/GP) funding to the Attorney General budget. This transfer would require a statutory change. <u>Conference</u> does not transfer these programs.	<b>Gross</b>	<b>\$78,314,400</b>	<b>\$0</b>
	Federal	62,987,200	0
	Restricted	15,327,200	0
	GF/GP	\$0	\$0
<b>16. Pathways to Potential Expansion</b>	FTE	NA	45.0
<u>Executive</u> includes additional 51.0 FTEs and \$5.6 million Gross (\$3.3 million GF/GP) to expand the Pathways to Potential program to additional school districts. The program places caseworkers in certain schools to help reduce absenteeism and help families obtain community resources. <u>House</u> does not concur with the Executive. <u>Senate</u> includes \$100 placeholder. <u>Conference</u> includes additional 45.0 FTEs and \$4.9 million Gross (\$2.9 million GF/GP).	<b>Gross</b>	<b>NA</b>	<b>\$4,919,100</b>
	Federal	NA	2,022,500
	GF/GP	NA	\$2,896,600
<b>17. Nutrition Education</b>	FTE	2.0	0.0
<u>Executive</u> includes additional \$10.0 million federal funding authorization for nutrition education programs that provide educational services to help persons eligible to receive food assistance improve their eating and lifestyle behaviors. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$23,042,700</b>	<b>\$10,000,000</b>
	Federal	23,042,700	10,000,000
	GF/GP	\$0	\$0
<b>18. Adult Services Staffing Increase</b>	FTE	425.0	95.0
<u>Executive</u> includes additional 95.0 FTE positions and \$11.3 million Gross (\$8.1 million GF/GP) in response to rising adult services caseloads. Adds boilerplate Sec. 851 directing that staffing ratios of adult protective services programs be improved to increase response times to help reduce risks for elderly and disabled adults. <u>House</u> includes 47.0 FTE new positions and \$5.6 million Gross (\$4.0 million GF/GP). <u>Senate</u> includes 71.2 FTE new positions and \$1.9 million Gross (\$1.3 million GF/GP); also includes language in Sec. 851 requiring that additional staff funding shall not be released until April 1, 2018. <u>Conference</u> concurs with the Executive.	<b>Gross</b>	<b>\$44,864,400</b>	<b>\$11,286,700</b>
	Federal	30,579,700	3,189,500
	GF/GP	\$14,284,700	\$8,097,200
<b>19. Family Independence Program (FIP) Clothing Allowance Increase</b>	<b>Gross</b>	<b>\$6,270,000</b>	<b>\$0</b>
<u>Executive</u> includes additional \$2.7 million federal TANF funding to increase the annual clothing allowance for children who are FIP recipients from \$140 per child to \$200. <u>House</u> increases funding by \$895,700 Gross to increase benefit to \$160 and uses remaining \$1.8 million TANF to offset GF/GP. <u>Senate</u> does not increase funding and uses \$2.7 million TANF to offset GF/GP. <u>Conference</u> concurs with the Senate.	TANF	6,270,000	2,687,100
	GF/GP	\$0	(\$2,687,100)
<b>20. Centers for Independent Living Reduction</b>	<b>Gross</b>	<b>\$12,031,600</b>	<b>\$0</b>
<u>Executive</u> reduces funding by \$2.0 million GF/GP for Centers for Independent Living, which provide services to persons with disabilities. <u>House</u> concurs with the Executive and makes a technical adjustment by removing \$5.5 million federal matching funds associated with the reduced GF/GP. <u>Senate</u> retains current-year funding. <u>Conference</u> concurs with the Senate.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$3,570,000	\$0
<b>21. Heat and Eat Program Continuance</b>	<b>Gross</b>	<b>\$6,766,800</b>	<b>(\$4,266,800)</b>
<u>Executive</u> maintains \$6.8 million GF/GP appropriated in FY 2016-17 in PA 340 of 2016 to fund the Heat and Eat program, which provides energy assistance payments of \$20.01 to an estimated 338,173 Food Assistance Program (FAP) cases making them potentially eligible for additional FAP benefits. <u>House</u> concurs with the Executive. <u>Senate</u> retains current-year funding but uses \$6.8 million federal funding to offset GF/GP. <u>Conference</u> reduces GF/GP funding by \$4.3 million with the intention of using a similar amount of FY 2016-17 GF/GP carry-forward funding for the program.	GF/GP	\$6,766,800	(\$4,266,800)

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>22. Multicultural Integration Funding</b>	<b>Gross</b>	<b>\$13,303,800</b>	<b>\$2,000,000</b>
<u>Executive</u> increases funding by \$2.0 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). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	1,115,500	0
	GF/GP	\$12,188,300	\$2,000,000
<b>23. Foster Care Administrative and Residential Rates Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$14,200,000</b>
<u>Executive</u> increases funding by \$14.2 million Gross (\$6.8 million GF/GP) to increase administrative per diem rates paid to private foster care placing agencies and rates to residential service providers. The current general foster care rate would increase from \$45.00 to \$46.20. Independent living, trial reunification, and residential services rates would also be increased. <u>House</u> increases funding by \$6.0 million Gross (\$3.0 million GF/GP) to increase rates: general foster care and trial reunification administration rates would increase to \$45.60 and general independent living administration rates would increase to \$37.10. Residential services rates would also increase. <u>Senate</u> concurs with the Executive, but replaces the local funding in the Executive's increased appropriation with GF/GP in the Child Care Fund line item. <u>Conference</u> concurs with the Senate.	Federal	NA	5,290,000
	Local	NA	0
	GF/GP	NA	\$8,910,000
<b>24. Foster Care Administrative Rates – Elimination of County Hold-Harmless Provision</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> reduces state funding by \$8.0 million GF/GP to recognize the savings to the state of 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 and 100% of the recent rate increases. Restores 50/50 cost sharing model and requires counties to pay 50% of all administrative rates for private foster care placing agencies and residential service providers beginning in FY 2017-18. <u>House</u> concurs with the Executive but includes a \$100 placeholder. <u>Senate</u> retains current-year level of funding. <u>Conference</u> concurs with the Senate.	GF/GP	NA	\$0
<b>25. Foster Parent Support and Michigan Youth Opportunities Initiative (MYOI) Expansion</b>	FTE	NA	11.0
<u>Executive</u> includes 11.0 additional FTE positions and \$3.6 million Gross (\$2.8 million GF/GP) to fund the expansion of programs to support foster care parents and the MYOI program. Funding would support 10 additional MYOI coordinators and expand the program, which provides services to youth aging out of foster care, to all 83 counties; includes support for one statewide foster care recruitment supervisor. Adds boilerplate Sec. 594 directing that funding support five Regional Resource Teams to help recruit and retain qualified foster parents. <u>House</u> concurs with the Executive. <u>Senate</u> includes \$100 placeholder. <u>Conference</u> concurs with the Executive.	<b>Gross</b>	<b>NA</b>	<b>\$3,591,400</b>
	Federal	NA	783,500
	GF/GP	NA	\$2,807,900
<b>26. Foster Care Relative Caregiver Licensure Payments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,000,000</b>
<u>Conference</u> includes \$1.0 million GF/GP funding for increased payments for completed relative caregiver licensure. Payments for completed licensure before 180 days is increased from \$2,300 to \$4,500; after 180 days, the payment is increased from \$2,300 to \$3,500. Modifies Sec. 574 boilerplate.	GF/GP	NA	\$1,000,000
<b>27. Juvenile Justice Facilities Staffing Increase</b>	FTE	84.0	10.0
<u>Executive</u> includes additional 10.0 FTEs and \$924,000 Gross (\$462,000 GF/GP) to comply with new minimum staffing requirements mandated by the federal Prison Rape Elimination Act (PREA). In order to comply, both state juvenile facilities, Shawono and Bay Pines, require 5.0 additional FTEs. <u>House</u> concurs with the Executive. <u>Senate</u> does not concur with the Executive. <u>Conference</u> concurs with the Executive.	<b>Gross</b>	<b>\$9,954,700</b>	<b>\$924,000</b>
	Federal	220,300	462,000
	Local	5,377,900	0
	GF/GP	\$4,356,500	\$462,000
<b>28. Family Preservation Programs – One-Time Funding</b>	FTE	1.0	(1.0)
<u>Executive</u> eliminates one-time funding of \$6.1 million federal TANF and the related 1.0 FTE for family preservation programs; ongoing funding for family preservation programs is maintained at current-year funding and staffing levels. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$6,098,200</b>	<b>(\$6,098,200)</b>
	Federal	6,098,200	(6,098,200)
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>29. GF/GP-Funded Refugee Assistance – One-Time Funding</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$850,000)</b>
<u>Executive</u> transfers \$1.0 million GF/GP added in FY 2016-17 in PA 340 of 2016 for refugee assistance services to the one-time basis unit. <u>House</u> and <u>Senate</u> eliminate the one-time GF/GP funding. <u>Conference</u> eliminates \$850,000 of the current-year one-time funding, but includes \$150,000 GF/GP for a one-time Refugee Assistance Grant.	GF/GP	\$1,000,000	(\$850,000)
<b>30. Other House Program Reductions</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,250,000)</b>
<u>House</u> reduces \$750,000 GF/GP funding for Fostering Futures Scholarship Grants, \$1.0 million Gross (\$600,000 GF/GP) funding for Emergency Services Local Office Allocations (ESLOA), and \$250,000 TANF for FIP Suspicion-Based Drug Testing Pilot. <u>Senate</u> retains current-year funding for these programs. <u>Conference</u> retains funding for Fostering Futures Scholarship Grants, but concurs with the House on ESLOA and the FIP drug testing pilot reductions.	Federal	NA	(650,000)
	GF/GP	NA	(\$600,000)
<b>31. Michigan Corner Store Initiative</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>House</u> includes \$100 placeholder for the Michigan Corner Store Initiative; adds Sec. 651 of boilerplate directing funding to be used for grants to small food retailers to increase availability of fresh and nutritious foods in low and moderate income areas. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	NA	\$100
<b>32. Farmers Markets Wireless Equipment – One-Time Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Conference</u> includes \$500,000 Gross (\$250,000 GF/GP) one-time funding for the purchase of wireless equipment to be used in farmers markets to enable individuals to use Bridge cards for payment.	Federal	NA	250,000
	GF/GP	NA	\$250,000
<b>33. FTE Adjustments</b>	FTE	NA	(31.0)
<u>Executive</u> eliminates 60.0 FTE authorizations in the following two line items to align FTE authorizations with the amount of funding available to support the positions: Child Welfare Field Staff – Caseload Compliance (50.0), Family Preservation Programs (10.0); adds 29.0 FTEs to Public Assistance Field Staff. <u>House</u> concurs with the Executive and dedicates the 29.0 new FTEs to the Pathways to Potential Program in boilerplate Sec. 852. <u>Senate</u> and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>34. Donated Funds Positions FTE Reduction</b>	FTE	538.0	(250.0)
<u>Executive</u> eliminates 250.0 FTE authorizations from the Donated Funds Positions line item to better align FTE authorizations with the amount of currently-filled positions and the funding available to support those FTEs. Reduces funding by \$28.3 million Gross (\$0 GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$60,878,700</b>	<b>(\$28,300,000)</b>
	IDG	238,900	0
	Federal	31,152,400	(14,152,400)
	Private	18,420,200	(5,309,900)
	Local	11,067,200	(8,837,700)
	GF/GP	\$0	\$0
<b>35. TANF Offset of GF/GP Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> appropriates \$5.0 million TANF reserve funding to the Family Independence Program (FIP) line item to offset \$5.0 million GF/GP. <u>Senate</u> appropriates \$39.2 million TANF reserve funding between two line items to offset \$39.2 million GF/GP. <u>Conference</u> appropriates \$7.9 million TANF reserve funding to the FIP line item to offset \$7.9 million GF/GP.	Federal	NA	7,852,100
	GF/GP	NA	(\$7,852,100)
<b>36. Capped Federal Revenues Fund Source</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> rolls the "Capped Federal Revenues" fund source into the general "Total Federal Revenues" fund source. <u>House</u> , <u>Senate</u> , and <u>Conference</u> retain current-year fund source structure.	Federal	NA	0
	GF/GP	NA	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>	<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>BEHAVIORAL HEALTH</b>		
<b>37. Direct Care Wage Increase</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> increases Medicaid mental health funding \$45.0 million Gross (\$14.2 million GF/GP) to provide a \$0.50 per hour increase for direct care workers. A FY 2015-16 legislative boilerplate report directed DHHS to review current challenges of recruiting and retaining direct care staff, and one of the findings was uncompetitive wages compared to other available entry-level wages. <u>House</u> adds \$22.5 million Gross (\$7.1 million GF/GP) to provide a \$0.25 per hour increase and requires in boilerplate Sec. 1009 that DHHS contractually mandate these funds be fully passed through to agencies for paying direct care worker's wages. <u>Senate</u> adds \$22.5 million Gross (\$7.1 million GF/GP) to provide a \$0.50 per hour increase beginning April 1, 2018 and requires in boilerplate Sec. 944 that PIHPs apply to receive the funds and to report on actual expenditures. <u>Conference</u> concurs with the Executive and includes reporting provisions in boilerplate Sec. 1009.	Federal	NA
	GF/GP	NA
		<b>\$45,000,000</b>
		30,838,500
		\$14,161,500
<b>38. State Psychiatric Hospital Staffing Enhancement</b>	FTEs	1,613.6
<u>Executive</u> provides \$7.2 million Gross (\$4.9 million GF/GP) to increase state psychiatric hospital staffing by 72.0 FTEs. Amount reflects a 3.4% increase in Gross appropriations. <u>House</u> provides half of the Executive request. <u>Senate</u> includes \$100 placeholder. <u>Conference</u> concurs with the Executive.	<b>Gross</b>	<b>\$208,960,000</b>
	Federal	34,738,400
	Local	14,685,300
	Restricted	17,633,000
	GF/GP	\$141,903,300
		72.0
		<b>\$7,173,200</b>
		2,308,900
		0
		0
		\$4,864,300
<b>39. Behavioral Health Integration Pilot Project Implementation</b>	FTEs	0.0
<u>Conference</u> includes \$3.1 million Gross (\$1.0 million GF/GP) to support implementation costs related to the pilot projects and demonstration models within boilerplate Sec. 298. Funding would support an independent project facilitator, evaluation costs, modifications to state contracts, and 3.0 FTEs.	<b>Gross</b>	<b>\$0</b>
	Federal	0
	GF/GP	\$0
		3.0
		<b>\$3,088,200</b>
		2,088,200
		\$1,000,000
<b>40. Mental Health and Wellness Commission</b>	<b>Gross</b>	<b>\$17,350,000</b>
<u>Executive</u> increases Mental Health and Wellness Commission allocation by \$3.8 million Gross (\$1.3 million GF/GP) for a psychiatric transition unit for children residing at the Hawthorn Center state psychiatric hospital for children. <u>House</u> concurs with the Executive. <u>Senate</u> eliminates Mental Health and Wellness Commission funding except for a \$100 placeholder. <u>Conference</u> provides funding for the psychiatric transition unit and reduces funding by \$2.2 million Gross (\$745,600 GF/GP).	Federal	9,425,000
	GF/GP	\$7,925,000
		998,600
		\$546,400
<b>41. Medical Marijuana Regulatory Revenue</b>	<b>Gross</b>	<b>\$0</b>
<u>Executive</u> recognizes \$1.4 million in restricted medical marijuana regulatory revenue to increase access to substance use disorder prevention, treatment, and education programming. Assumes some programs would be eligible for federal matching funds. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	0
	Restricted	0
	GF/GP	\$0
		1,839,300
		1,423,900
		\$0
<b>42. Pediatric and Adult Opioid Abuse Pilot Project</b>	<b>Gross</b>	<b>NA</b>
<u>Conference</u> provides \$305,000 GF/GP for a pilot project to create early detection of pediatric opioid abuse and to reduce opioid dependency and addiction in adult patients.	GF/GP	NA
		<b>\$305,000</b>
		\$305,000
<b>43. Behavioral Health Administration Grants – One-Time Funding</b>	<b>Gross</b>	<b>NA</b>
<u>Senate</u> provides, on an ongoing basis, \$700,100 GF/GP in grant funding for Special Olympics Michigan Healthy Athletes Initiative (\$600,000 GF/GP), Oakland Hope Food Pantry (\$100,000 GF/GP), and telepsychiatry placeholder to perform competency exams (\$100 GF/GP). On a one-time basis, <u>Conference</u> provides \$100,000 GF/GP for Special Olympics Michigan and \$100,000 GF/GP for Oakland Hope Food Pantry.	GF/GP	NA
		<b>\$200,000</b>
		\$200,000
<b>44. Autism Services</b>	<b>Gross</b>	<b>\$61,168,400</b>
<u>House</u> reduces Medicaid autism services funding \$5.0 million Gross (\$1.8 million GF/GP) to support a fee schedule increase of 5% rather than 12%. <u>Senate</u> and <u>Conference</u> do not include House reduction.	Federal	40,223,500
	GF/GP	\$20,944,900
		0
		\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>45. Civil Service Charges</b>	<b>Gross</b>	<b>\$1,499,300</b>	<b>(\$1,100,000)</b>
<u>Executive</u> reduces civil services charges line within behavioral health services unit \$1.1 million GF/GP, funding is transferred into Civil Services unit within Department of Technology, Management, and Budget. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the <u>Executive</u> .	GF/GP	\$1,499,300	(\$1,100,000)
<b>46. University Autism Programs – One-Time Funding</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$500,000)</b>
<u>Executive</u> transfers university autism program funding to the one-time basis unit. <u>House</u> concurs with <u>Executive</u> transfer and reduces \$500,000 GF/GP. <u>Senate</u> concurs with the <u>Executive</u> . <u>Conference</u> concurs with the <u>House</u> .	GF/GP	\$1,000,000	(\$500,000)
<b>POPULATION HEALTH</b>			
<b>47. Flint Drinking Water/Lead Exposure Emergency–One-Time Funding</b>	FTE	0.0	4.5
<u>Executive</u> reduces funding for assistance to residents exposed to lead in the City of Flint by \$1.8 million Gross (\$8.1 million GF/GP). One-time funding of \$13.4 million Gross (\$1.0 million GF/GP) and 4.5 FTEs are provided for food and nutrition services, health services at child and adolescent health centers and schools, water filter cartridges and filter replacements, and additional supports and services. Restricted funding provided is primarily Healthy Michigan Fund and includes \$100 of the Drinking Water Declaration of Emergency Reserve Fund. Sec. 1905 is related boilerplate. <u>House</u> concurs with the <u>Executive</u> . <u>Senate</u> concurs with the <u>Executive</u> and provides \$680,000 GF/GP of increased funding including \$380,000 for nutrition services through the Double Up Food Bucks program, and \$300,000 for lead testing of drinking water at local food service establishments (originally proposed by the <u>Executive</u> in the Department of Agriculture and Rural Development budget). <u>Conference</u> concurs with the <u>Senate</u> .	<b>Gross</b>	<b>\$15,138,100</b>	<b>(\$1,096,400)</b>
	TANF	3,520,000	(20,000)
	Federal	2,050,000	(2,050,000)
	Restricted	473,900	8,387,800
	GF/GP	\$9,094,200	(\$7,414,200)
<b>48. Public Health – Reductions</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<u>House</u> makes the following reductions: eliminates health innovations grant funding of \$1.0 million GF/GP and Sec. 1143, eliminates \$250,000 GF/GP for bone marrow transplant registry support and Sec. 1146, and reduces GF/GP funding for health and wellness initiatives by \$1.9 million. <u>Senate</u> eliminates health innovations grants leaving a \$100 GF/GP placeholder. <u>Conference</u> eliminates the health innovations grant funding and related Sec. 1143.	GF/GP	\$1,000,000	(\$1,000,000)
<b>49. Early Primary Care Pilot Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
<u>House</u> provides \$1.0 million GF/GP for a new early primary care pilot program to place interested and qualified physicians in medically underserved areas for 2 years following the first year of the physician's residency. The physician will receive a salary and financial assistance with repayment of medical education loans. Sec. 1147 is related boilerplate. <u>Senate</u> does not include. <u>Conference</u> concurs with the <u>House</u> .	GF/GP	\$0	\$1,000,000
<b>50. Island Hospital/Clinic Funding</b>	<b>Gross</b>	<b>\$325,000</b>	<b>\$200,000</b>
<u>Conference</u> provides \$200,000 GF/GP in the Primary Care Services line item for increased funding for island hospitals, clinics, and health care access including \$100,000 for Beaver Island and \$100,000 for Mackinac Island.	GF/GP	\$325,000	\$200,000
<b>51. Lead Poisoning Elimination Recommendations – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,250,000</b>
<u>Executive</u> includes \$2.0 million GF/GP as one-time funding toward implementation of over 80 recommendations of the Childhood Lead Poisoning Elimination Board, created as a two-year advisory commission under Executive Order 2016-9. <u>House</u> provides one-time funding of \$500,000, and adds Sec. 1907 related boilerplate. <u>Senate</u> provides a \$100 GF/GP placeholder. <u>Conference</u> provides one-time funding of \$1,250,000 GF/GP and Sec. 1907.	GF/GP	\$0	\$1,250,000



<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>52. Vapor Intrusion Response</b>	FTEs	8.5	6.5
<u>Executive</u> provides increase of \$815,000 GF/GP and 6.5 FTEs to annualize and continue the new vapor intrusion response program, initiated in the FY 2016-17 supplemental Act 340 of 2016, and adds boilerplate Sec. 1180. <u>House</u> provides increase of \$400,000 GF/GP, and revises Sec. 1180. <u>Senate</u> removes current year funding of \$1.4 million GF/GP, leaves \$100 placeholder and retains Sec. 1180. <u>Conference</u> concurs with the Executive funding and House Sec. 1180.	<b>Gross</b>	<b>\$1,368,800</b>	<b>\$815,000</b>
	GF/GP	\$1,368,800	\$815,000
<b>53. Drinking Water, Lead Testing, Toxicology, and Response</b>	FTEs	11.5	7.0
<u>Executive</u> provides increase of \$1.1 million Gross (reduction of \$2.1 million GF/GP) and 7.0 FTEs to annualize new drinking water office, and enhancements to childhood lead testing, toxicology and response programs, initiated in the FY 2016-17 supplemental Act 340 of 2016, and adds new boilerplate Sec. 1181. <u>House</u> concurs with the Executive and revises Sec. 1181. <u>Senate</u> removes current year funding of \$2.1 million GF/GP, provides a \$100 placeholder, and includes Sec. 1181. <u>Conference</u> concurs with the House.	<b>Gross</b>	<b>\$2,148,900</b>	<b>\$1,067,800</b>
	Restricted	0	3,216,700
	GF/GP	\$2,148,900	(\$2,148,900)
<b>54. Public Health Administration for New Initiatives</b>	FTEs	0.0	6.0
<u>Executive</u> provides \$961,800 from the Healthy Michigan Fund and 6.0 FTEs to provide new administration support for new and enhanced public health initiatives: vapor intrusion response program drinking water, childhood lead testing, toxicology and response, first funded in the FY 2016-17 supplemental Act 340 of 2016. <u>House</u> concurs with the Executive. <u>Senate</u> does not concur. <u>Conference</u> concurs with the House.	<b>Gross</b>	<b>\$0</b>	<b>\$961,800</b>
	Restricted	0	961,800
	GF/GP	\$0	\$0
<b>55. Lead Abatement Expansion</b>	FTEs	4.0	0.0
<u>Executive</u> recognizes increase of \$10,000 of available federal funding for lead abatement of homes, initially focusing on Flint. Funding was initiated in the FY 2016-17 supplemental Act 340 of 2016. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$23,470,000</b>	<b>\$10,000</b>
	Federal	23,470,000	10,000
	GF/GP	\$0	\$0
<b>56. Public Health Dental Clinics</b>	<b>Gross</b>	<b>\$1,550,000</b>	<b>\$0</b>
<u>Executive</u> removes \$1.6 million GF/GP for local health departments partnering with nonprofit dental providers for dental services, and removes related Sec. 1229 boilerplate. Funding was new in FY 2016-17. <u>House</u> concurs with the Executive. <u>Senate</u> retains current year funding. <u>Conference</u> concurs with the Senate.	GF/GP	\$1,550,000	\$0
<b>57. Indigent Primary Care and Dental Care Clinics – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$300,000</b>
<u>House</u> provides one-time funding of \$300,000 GF/GP to support primary care clinic and dental health clinic services for indigent individuals. Sec. 1914 is related boilerplate. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	\$0	\$300,000
<b>58. Traumatic Brain Injury Treatment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
<u>House</u> provides \$1.0 million GF/GP to support use of pediatric traumatic brain injury assessment and treatment interactive software in hospitals. Sec. 1228 is related boilerplate. <u>Senate</u> provides a \$100 GF/GP placeholder for traumatic brain injury treatment and Sec. 1341 related boilerplate. <u>Conference</u> concurs with the House.	GF/GP	\$0	\$1,000,000
<b>59. Diabetes Program</b>	<b>Gross</b>	<b>\$3,049,100</b>	<b>\$200,000</b>
<u>Senate</u> provides \$200,000 GF/GP of increased funding for diabetes programs, to be allocated to the Michigan Kidney Foundation. <u>Conference</u> concurs with the Senate.	Federal	2,851,600	0
	Restricted	197,500	0
	GF/GP	\$0	\$200,000
<b>60. Emergency Medical Services</b>	<b>Gross</b>	<b>\$6,563,600</b>	<b>\$182,000</b>
<u>Senate</u> provides \$182,000 GF/GP for emergency medical services in the Upper Peninsula, and Sec. 1350 related boilerplate. <u>Conference</u> concurs with the Senate.	Federal	1,124,600	0
	Restricted	4,004,900	0
	GF/GP	\$1,434,100	\$182,000

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>61. Prenatal Diagnosis Clearinghouse Website – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000</b>
<u>Senate</u> provides one-time funding of \$150,000 GF/GP to develop a website providing information regarding prenatally diagnosed conditions related to the public health code, and includes related boilerplate. <u>Conference</u> concurs with the Senate. Sec. 1908 is related boilerplate.	GF/GP	\$0	\$150,000
<b>62. Population Health Federal Grant Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$8,400,000</b>
<u>Executive</u> recognizes \$8.4 million of additional public health federal funds including new violence prevention grants of \$1.0 million, increase in local reimbursements for Medicaid outreach totaling \$3.5 million, local health services increase of \$1.5 million, and chronic disease prevention increase of \$2.4 million. The last two are from increased Preventive Health and Health Services Block Grant funds. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	NA	8,400,000
	GF/GP	NA	\$0
<b>63. Alternative Pregnancy and Parenting Support Program</b>	<b>Gross</b>	<b>\$400,000</b>	<b>\$250,000</b>
<u>Executive</u> reduces funding by \$350,000 Gross (\$50,000 GF/GP increase) for an alternative pregnancy and parenting support program which promotes childbirth and alternatives to abortion, returning the program to \$50,000 GF/GP funding level of FY 2015-16. <u>House</u> provides increase of \$300,000 TANF funds for total program funding of \$700,000 TANF. Sec. 1307 is related boilerplate. <u>Senate</u> retains current year funding but shifts source of funds from TANF to GF/GP. <u>Conference</u> provides increase of \$250,000 TANF funds for total program funding of \$650,000 TANF.	TANF	400,000	250,000
	GF/GP	\$0	\$0
<b>AGING AND ADULT SERVICES AGENCY</b>			
<b>64. Senior In-Home Services</b>	<b>Gross</b>	<b>\$8,024,300</b>	<b>\$2,053,400</b>
<u>Executive</u> provides increase of \$2.1 million GF/GP for senior in-home services. Together with a FY 2016-17 increase, the program funding will meet demand as of September 30, 2016, including waiting lists. YTD shown is for in-home services only in the Community Services line item. <u>House</u> provides increase of \$1.0 million GF/GP. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Senate.	GF/GP	\$8,024,300	\$2,053,400
<b>65. Senior Meals and Nutrition Services</b>	<b>Gross</b>	<b>\$39,044,000</b>	<b>\$3,210,200</b>
<u>Executive</u> provides increase of \$1.5 million GF/GP for senior home-delivered meals to bring the program funding to a level that will meet demand as of September 30, 2016, including waiting lists. Federal grant increases totaling \$1.7 million for senior meals services are also recognized. <u>House</u> provides increase of \$750,000 GF/GP, and concurs with the federal increase. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Senate.	Federal	27,657,000	1,700,000
	Private	300,000	0
	GF/GP	\$11,087,000	\$1,510,200
<b>66. Alzheimer's In-Home Care Pilot</b>	<b>Gross</b>	<b>\$150,000</b>	<b>(\$150,000)</b>
<u>Executive</u> removes boilerplate Sec. 1424 related to a \$150,000 GF/GP 3-year pilot program of in-home support and care for persons with Alzheimer's Disease, but retains funding to redirect to another dementia care pilot program. <u>House</u> retains boilerplate and a \$100 placeholder to continue the pilot program, currently scheduled for completion as of September 30, 2017. <u>Senate</u> concurs with the Executive. <u>Conference</u> removes the funding and related Sec. 1424.	GF/GP	\$150,000	(\$150,000)
<b>MEDICAL SERVICES</b>			
<b>67. Special Hospital Payments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$168,055,000)</b>
<u>Executive</u> reduces quality assurance assessment program (QAAP)-funded special hospital payments a total of \$217.6 million Gross (\$20.3 million GF/GP) based on Hospital Rate Adjustment (HRA) reducing by \$47.9 million Gross (\$42.8 million GF/GP) and the Medicaid Access to Care Initiative (MACI) reducing by \$169.7 million Gross (increasing \$22.4 million GF/GP). <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> revises cost estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	Federal	NA	(104,412,700)
	Restricted	NA	(43,620,100)
	GF/GP	NA	(\$20,022,200)

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>68. GF/GP-Funded Disproportionate Share Hospital (DSH) Payments</b>	<b>Gross</b>	<b>\$45,000,000</b>	<b>\$0</b>
<u>House</u> reduces \$4.5 million Gross (\$1.6 million GF/GP) in GF/GP-funded DSH payments (or 10%) based on recent studies indicating hospital uncompensated care declining by 50%. Revises boilerplate Sec. 1699 indicating this reduction is in compliance with section 105d(8) of the social welfare act. <u>Senate</u> and <u>Conference</u> retain current-year funding.	Federal	29,317,500	0
	Restricted	6,114,900	0
	GF/GP	\$9,567,600	\$0
<b>69. Oaklawn Hospital Grant – One-Time Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$850,000</b>
<u>Senate</u> includes, on an ongoing basis, \$1.0 million Gross (\$352,200 GF/GP) to a hospital that qualifies for rural hospital access payments and is located in a county with a population between 130,000 and 140,000. <u>Conference</u> provides \$850,000 GF/GP on a one-time basis. Sec. 1915 is related new boilerplate.	Federal	NA	0
	GF/GP	NA	\$850,000
<b>70. Hospice Room and Board</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$500,000</b>
<u>House</u> adds \$500,000 GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. <u>House</u> also revises boilerplate Sec. 1899 to require these funds be distributed quarterly on a per bed basis. <u>Senate</u> retains current-year funding. <u>Conference</u> adds \$500,000 GF/GP and revises boilerplate Sec. 1856 to request reporting information.	GF/GP	\$2,500,000	\$500,000
<b>71. Medicaid Non-Emergency Medical Transportation Expansion</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,419,600</b>
<u>Executive</u> includes \$12.0 million Gross (\$3.4 million GF/GP) to expand the Medicaid non-emergency medical transportation broker program into additional counties. Program is currently available in Macomb, Oakland, and Wayne counties. Counties without a broker program rely on local DHHS field staff workers to coordinate non-emergency medical transportation. <u>House</u> does not concur with the Executive expansion of a broker program, and instead includes \$1.4 million Gross (\$500,000 GF/GP) to expand the use of local public transportation entities to coordinate non-emergency medical transportation. <u>Senate</u> includes \$100 placeholder. <u>Conference</u> concurs with the House.	Federal	NA	919,600
	GF/GP	NA	\$500,000
<b>72. Ambulance QAAP</b>	<b>Gross</b>	<b>\$44,112,000</b>	<b>\$10,290,000</b>
<u>Executive</u> includes \$10.3 million Gross (\$0 GF/GP) to add QAAP-funded supplemental Healthy Michigan Plan ambulance payments. Current year only included traditional Medicaid in the supplemental payment calculation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	32,312,400	9,698,400
	Restricted	15,665,200	591,600
	GF/GP	(\$3,865,600)	\$0
<b>73. New Nursing Facility Quality Pool</b>	<b>Gross</b>	<b>\$1,658,317,700</b>	<b>\$73,000,000</b>
<u>Executive</u> creates a new QAAP-funded nursing facility quality pool totaling \$73.0 million Gross (reduces \$8.2 million GF/GP in state retainer savings). Adds boilerplate Sec. 1646 directing these new payments to support and reward improvements in outcomes for nursing facility patients and residents. <u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive and includes \$100 point of difference. <u>Conference</u> concurs with the Executive and adds boilerplate Sec. 1646 directing payments to be based on CMS star quality ratings, licensed beds, and Medicaid utilization.	Federal	1,069,171,700	47,289,400
	Local	6,618,800	0
	Private	2,100,000	0
	Restricted	271,352,900	33,954,300
	GF/GP	\$309,074,300	(\$8,243,700)
<b>74. Adult Home Help Mobile Biometric Verification System</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,500,000</b>
<u>Senate</u> includes \$1.5 million Gross (\$150,000 GF/GP) to develop a mobile electronic visit verification solution for the Medicaid adult home help program. <u>Conference</u> concurs with the Senate.	Federal	NA	1,350,000
	GF/GP	NA	\$150,000
<b>75. Program of All-inclusive Care for the Elderly (PACE) Expansion</b>	<b>Gross</b>	<b>\$87,874,800</b>	<b>\$18,414,300</b>
<u>Executive</u> adds \$20.0 million Gross (\$7.0 million GF/GP) to support enrollment increases within existing programs and for two new PACE sites in Newaygo County and in central Michigan. Increase is offset with assumed long-term care savings for a net \$0 budget adjustment. <u>House</u> reduces addition by \$1.6 million Gross (\$546,700 GF/GP) to support an annual per member per month increase of 1.0% rather than 2.5%. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	Federal	57,250,400	11,928,800
	GF/GP	\$30,624,400	\$6,485,500

		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>76. Medicaid Direct Primary Care Pilot – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,724,000</b>
<u>House</u> includes \$5.7 million Gross (\$2.0 million GF/GP) on a one-time basis for a Medicaid direct primary care pilot program. Adds boilerplate Sec. 1913 outlining the pilot program. <u>Senate</u> includes \$2.5 million Gross (\$864,000 GF/GP) on an ongoing basis and revises boilerplate Sec. 1701. <u>Conference</u> concurs with the House.	Federal	0	3,708,000
	GF/GP	\$0	\$2,016,000
<b>77. Neonatology Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,215,100</b>
<u>House</u> and <u>Senate</u> include \$100 placeholder for a reimbursement rate increase for neonatal services. <u>Conference</u> provides \$4.2 million Gross (\$1.5 million GF/GP) to increase Medicaid neonatology rates up to 75% of Medicare rates.	Federal	NA	2,730,500
	GF/GP	NA	\$1,484,600
<b>78. Court-Appointed Guardianship Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,419,600</b>
<u>House</u> includes \$100 placeholder for a reimbursement rate increase for court-appointed guardianship services. <u>Senate</u> retains current-year funding. <u>Conference</u> provides \$1.4 million Gross (\$500,000 GF/GP) to increase monthly court-appointed guardianship reimbursement rate from \$83 to \$95.	Federal	NA	919,600
	GF/GP	NA	\$500,000
<b>79. Michigan Dental Registry</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Senate</u> includes \$100 placeholder for a Dental Registry in support of enhanced dental benefits for the Healthy Kids Dental program and to explore enhanced dental benefits for pregnant women Medicaid beneficiaries. <u>Conference</u> provides \$500,000 GF/GP.	GF/GP	NA	\$500,000
<b>80. Medical Services Program Reductions</b>	<b>Gross</b>	<b>NA</b>	<b>(\$2,588,700)</b>
<u>Executive</u> reduces a total of \$10.4 million Gross (\$6.3 million GF/GP) by eliminating Authority Health GME (\$2.8 million Gross), Dental rate increase for pregnant Medicaid beneficiaries (\$2.7 million Gross), University of Detroit dental clinic (\$2.0 million Gross), Medicaid health plan immunization grant (\$1.5 million Gross), and by reducing Wayne State Psychiatric (\$1.4 million Gross). <u>House</u> does not concur with the University of Detroit dental clinic elimination and Wayne State Psychiatric reduction. <u>Senate</u> does not concur with eliminating the pregnant women dental rate increase and immunization grant elimination. <u>Conference</u> only eliminates Authority Health GME (\$2.8 million Gross) and adds \$240,000 GF/GP to immunization grant.	Federal	NA	(1,428,700)
	GF/GP	NA	(\$1,160,000)
<b>81. Population Health Healthy Michigan Fund Transfer</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> reduces \$4.2 million in restricted Healthy Michigan Fund revenue allocated for population health programming and allocates those funds to offset GF/GP within Medical Services unit. <u>Conference</u> does not include.	Restricted	NA	0
	GF/GP	NA	\$0
<b>82. Other State Restricted Revenue Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> revises the following three restricted funds based on projected available revenues for a net increase of \$3.5 million, which is used to offset a like amount of GF/GP:	Restricted	NA	4,729,000
<ul style="list-style-type: none"> <li>Increases Merit Award Trust Fund \$25.3 million.</li> <li>Increases Healthy Michigan Fund \$9.6 million.</li> <li>Reduces Medicaid Benefits Trust Fund \$31.4 million.</li> </ul>	GF/GP	NA	(\$4,729,000)
<u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> increase Merit Award Trust Fund \$26.5 million.			

## **Major Boilerplate Changes From FY 2016-17**

### **GENERAL SECTIONS**

#### **Sec. 232. Line Item Spending Plans – NEW**

Senate requires approved spending plans to be provided by DHHS to the Legislature for each appropriation line item; and prohibits DHHS from appropriating GF/GP, federal or state restricted funds for special maintenance, remodeling, addition – state facilities, or enterprise-wide information technology investments without providing a written 30-day notice to the Legislature. Conference includes and revises language: reduces required spending plan reporting, and eliminates reference to maintenance, remodeling, additions and enterprise-wide investments, but retains 30-day notice.

## **Major Boilerplate Changes From FY 2016-17**

### **Sec. 234. Behavioral Health Integration Pilots and Demonstration Models – NOT INCLUDED**

Senate requires DHHS to advance pilots and demonstration models to integrate the Medicaid behavioral and physical health benefit, consult with stakeholders and others, and oversee a third party evaluation after pilot completion. Requires managing Medicaid health plan to reinvest savings back into services for the pilot population, and report on efficiencies and savings. States goal is to achieve full integration by September 30, 2020 using a single contracting model with licensed health plans. See also related Sec. 298. Conference does not include.

### **Sec. 274. Capped Federal Funds and Maintenance of Effort – REVISED**

Executive deletes subsection (2) which directs that capped federal funds shall not be used for economics adjustments in the Governor's proposed budget, and subsection (3) which requires report on funding that meets TANF maintenance of effort funding requirement. House revises subsection (2) to allow for the use of capped federal funds for economics if increased federal funding from capped sources is expected. Senate retains current language. Conference concurs with the House, and retains (3) current law. *NOTE: Governor indicated subsection (2) considered unenforceable in his signing letter for enacted FY 2016-17 budget.*

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

Requires that after the first year of a contract no less than 90% of a 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; allows for exceptions, and requires a report. Executive deletes. House retains current language. Senate revises to 95%. Conference concurs with the House.

### **Sec. 293. Analytics Platform for Medicaid Claims – DELETED**

Requires DHHS to explore a project to implement a cloud-based, interactive analytics platform for Medicaid claims. Executive and House delete. Senate moves to Health Policy unit as Sec. 1152 and revises to appropriate \$500,000 of Health Policy Administration line item federal funds to implement the analytics platform for Medicaid claims, and a methodology to identify and measure related savings. Conference deletes.

### **Sec. 298. Behavioral Health Integration – REVISED**

Requires DHHS to work with a workgroup to make recommendations on policy and financing to improve coordination of Medicaid behavioral health and physical health services, including goals, a detailed plan, annual benchmarks, and requiring legislative authorization for certain funding changes. Executive replaces current language and directs DHHS to continue working with stakeholders to improve coordination of publicly funded behavioral health and physical health services, which must be built upon the published core values previously agreed upon by the Sec. 298 workgroup, including person-centered planning. House replaces current language with requirement to implement a statewide behavioral health managed care organization; to work with a willing CMHSP in Kent County to pilot a full physical and behavioral health integrated service model; to pilot 3 total physical and behavioral health services using single contracts with Medicaid health plans in a manner that allows the CMHSP in the pilot area to be a provider of behavioral health services; requires evaluation of successes and weaknesses of each model performed by a state research university; requires report. Senate concurs with the Executive and adds legislative intent language that DHHS consider the outcomes of pilots when making recommendations regarding the most effective financing and service delivery models and requires pilot evaluations to be performed by an independent third party; adds related new Sec. 234.

Conference replaces current language with (1) requirement to enter into an agreement with a project facilitator to establish performance outcome metrics, finalize implementation milestones, provide guidance and conflict resolution, and other necessary oversight; (2) requirement to work with a willing CMHSP in Kent County to pilot a full physical and behavioral health integrated service model; (3) requirement to pilot up to 3 fully financially integrated physical and behavioral health services using single contracts with Medicaid health plans in a manner that allows the CMHSP in the pilot area to be a provider of behavioral health services; (4) requirement for DHHS to begin implementation by October 1 and to work toward implementation by March 1; (5) requirement for any and all realized benefits and cost savings from integrating physical and behavioral health services, for the duration of the pilots and demonstrations, be reinvested into behavioral health services and supports in the county where the savings occurred; (6) states intent that the primary purpose of the pilots and demonstrations to test how the state can improve health outcomes and maximize efficiencies; (7) requirement to contract with a state research university to evaluate the pilots and demonstrations and evaluate their replicability; (8) allocation of \$3.1 million and requirement to provide a spending plan of these funds; (9) requirement for DHHS to report on time frame for implementation, barriers, and remedies to the barriers to implementation; (10) requirement for managing entities of the pilots and demonstrations to report on outcomes.

## **CHILDREN SERVICES – CHILD WELFARE**

### **Sec. 512. Foster Care Services by Relatives – NEW**

House requires DHHS to conduct a study on the cost and feasibility of extending services and financial resources to foster care children placed with a relative outside of the foster care system; requires report. Senate does not include. Conference includes new language requiring a detailed report on relative foster care placements and licensure waivers granted.

### **Sec. 522. Fostering Futures Scholarship Program – RETAINED**

Allocates \$750,000 to the Fostering Futures Scholarship program for youth transitioning from foster care who are attending college; requires report. Executive retains current language. House deletes. Senate and Conference retain current language.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 546. Foster Care Agency Administrative Rates – REVISED***

Establishes foster care administrative rate of \$37 for private child placing agencies; establishes general independent living administrative rate of \$28; requires payments for independent living plus services at statewide per diem; increases administrative rate for foster care services by \$8, provided county match rate is eliminated; requires increase to private providers of residential services, provided that county match rate is eliminated. Executive revises language to set the general foster care rate, independent living rate, and trial reunification services rate all at \$46.20. House revises language to set the general foster care rate and trial reunification services rate at \$45.60 and independent living rate at \$37.10. Senate revises language to set the general foster care rate, independent living rate, and trial reunification services rate all at \$46.20 and includes language that counties with populations over 1.7 million not receive payments unless reporting requirements under section 505 be satisfied. Conference revises language to set the general foster care rate, independent living rate, and trial reunification services rate all at \$46.20.

### ***Sec. 548. Relative Foster Care Licensure – NOT INCLUDED***

Senate requires DHHS to reimburse counties for court-ordered relative foster care and for relative foster care under a licensure waiver; requires DHHS to request a waiver of licensure in certain cases. Conference does not include subsection (1) concerning relative foster care reimbursements and moves subsection (2) on granting waivers to Sec. 512.

### ***Sec. 549/1904. Child Care Fund (CCF) County Partial Reimbursements Requirement – NEW***

Senate, in Sec. 549, requires DHHS to make partial CCF reimbursements to counties for undisputed charges within 15 business days of received receipts. Conference revises language and moves to Sec. 1904.

### ***Sec. 550. CCF –County Reimbursement Restrictions – NEW***

Senate prohibits DHHS to offset against reimbursements payments to counties and shall not seek reimbursement for charges DHHS received over 12 months prior. Conference revises language to include that counties shall not seek reimbursement for charges that are more than 12 months after date of service.

### ***Sec. 551. CCF County Clarification Requests Response Deadline – NEW***

Senate requires DHHS to respond within 10 business days to a county email clarification request. Conference revises language to require a response within 30 days.

### ***Sec. 552. County CCF Review Results – NEW***

Senate requires DHHS to provide a county's CCF review's results to the county within 15 business days. Conference revises language to require results be provided within 60 days.

### ***Sec. 558. Child Welfare Training Institute (CWTI) Report – REVISED***

Requires DHHS to maximize use of training programs or courses provided through the CWTI and requires courses be made available to employees of private service providers; requires DHHS to conduct a workgroup on reducing required amount of centralized CWTI training class time; requires report on workgroup findings; requires report on number of programs and courses provided and annual cost for each. Executive and House delete. Senate retains current language. Conference revises language to require a report that identifies the policies and procedures related to modernizing the child welfare training programs.

### ***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; requires report. Executive and House delete. Senate revises language to require a 70% success rate for parent-caseworker meetings. Conference requires an 85% success rate for both parent-caseworker meetings and parent-child visitations.

### ***Sec. 567. Medical Passports – REVISED***

Requires foster care caseworkers to complete medical passports and requires medical passports to be transferred within 2 weeks from date of placement or return home; requires report. Executive deletes language that requires medical passports be transferred within 2 weeks of placement or return home. House concurs with the Executive. Senate retains current language. Conference concurs with the Executive.

### ***Sec. 568. Adoption Subsidy Negotiations – DELETED***

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 and House delete. Senate retains current language. Conference deletes.

### ***Sec. 569. Private Agency Adoption Completion Payment Rate – RETAINED***

Requires DHHS reimburse private child placing agencies that complete adoptions at the rate according to the date in which the petition for adoption and required support documentation was accepted by the court and not according to the date the court's order placing for adoption was entered. Executive and House delete. Senate and Conference retain current language.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 589. Payment of Foster Care Administrative Rate- County Hold Harmless – RETAINED***

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers beginning October 1, 2013; requires monthly report on number of cases supervised by private agencies and by DHHS. Executive deletes language requiring DHHS to pay 100% of the administrative rates. House concurs with the Executive. Senate retains language requiring DHHS pay 100% of the administrative rates for new cases and includes language that requires reimbursements be collected from counties with populations over 1.7 million unless reporting requirements under section 505 be satisfied. Conference retains current language.

## **PUBLIC ASSISTANCE**

### ***Sec. 625. Legal Services Association of Michigan (LSAM) – REVISED***

Requires DHHS to contract with LSAM to provide assistance to individuals who have applied or wish to apply for federal disability benefits and allocates \$500,000. Executive, House, and Senate delete. Conference reduces allocation to \$250,000.

### ***Sec. 630. Family Independence Program (FIP) Suspicion-Based Drug Testing Pilot Program – DELETED***

Requires DHHS to implement a suspicion-based drug testing pilot program for FIP recipients. Executive and House delete. Senate retains current language. Conference deletes.

### ***Sec. 650. Food Assistance Program Able-Bodied Adults Without Dependents Waiver – NEW***

House requires DHHS to apply the food assistance eligibility requirements as prescribed in 7 CFR 273.24(a)-(d) on a statewide basis for the fiscal year beginning October 1, 2017. Senate does not include. Conference revises language to require that the eligibility requirements apply beginning May 1, 2018.

### ***Sec. 669. Annual FIP Clothing Allowance – RETAINED***

Allocates \$6.3 million for children's annual clothing allowance for all eligible children in FIP groups. Executive revises language to allocate \$9.0 million funding. House revises language to appropriate \$7.2 million. Senate and Conference retain current language.

## **CHILDREN SERVICES – JUVENILE JUSTICE**

### ***Sec. 701. Residential Facility Contracts – RETAINED***

Unless required by 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 and House delete. Senate and Conference retain current language.

## **FIELD OPERATIONS AND SUPPORT SERVICES**

### ***Sec. 809. Pathways to Potential – NEW***

Executive, in Sec. 689, requires that the Pathways to Potential program expansion shall be used for specific purposes. Senate, in Sec. 809, revises language to say the program may be expanded. House does not include language. Conference, in Sec. 809, states that the purposes of the Program is to improve certain student metrics by specified percentages. Also allocates \$75,000 to the School Success Partnership Program and \$60,000 to an Early Learning Neighborhood Collaborative.

### ***Sec. 850. Out-Stationed Eligibility Specialists – RETAINED***

Requires DHHS to maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless the location requests the program discontinued. Executive deletes language that requires that if a request for donated funds positions is denied, DHHS must provide the federal statute or regulation supporting a denial, if requested, as well as language that states if there is no federal statute or regulation supporting the denial, DHHS shall grant the position request. House concurs with the Executive. Senate and Conference retain current language.

### ***Sec. 852. Public Assistance Field Staff Additional FTEs – NOT INCLUDED***

House requires the 29 additional FTE authorizations in the Public Assistance Field Staff line item to be allocated to support the Pathways to Potential Program to provide additional DHHS staff in schools. Senate and Conference do not include.

## **BEHAVIORAL HEALTH SERVICES**

### ***Sec. 941. Medicaid Spenddown Allocation – DELETED***

Allocates no less than \$3.0 million to CMHSPs for costs related to Medicaid spenddown beneficiaries having to satisfy monthly deductible requirements. Executive and House delete. Senate retains current language. Conference deletes.

### ***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – REVISED***

Requires DHHS to consider a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements, contingent upon federal approval; requires a report; requires DHHS to continue to comply with state and federal law and not initiate an action that negatively impacts beneficiary safety; defines "national accrediting entity." Executive deletes. House requires DHHS to request federal approval by January 1 and requires any savings from this action be reinvested back into services. Senate makes similar revisions as the House. Conference requires DHHS to request, if necessary, federal approval by January 1 and requires any savings from this action be reinvested back into services.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 997. Distribution of Substance Use Disorder Block Grant Funds – RETAINED***

Requires population data from the most recent federal census be used in determining the distribution of substance use disorder block grant funds. Executive and House delete. Senate and Conference retain current language.

### ***Sec. 1011. Kalamazoo Community Mental Health and Substance Abuse Services Opioid Genomics Pilot – NEW***

House, in Sec. 1011, requires that DHHS provides \$850,000 to Kalamazoo Community Mental Health and Substance Abuse Services to develop a genomic based demonstration program to predict opioid response and abuse and to analyze cost savings to Medicaid. Senate, in Sec. 913, requires that DHHS explore developing a genomic based demonstration program to predict opioid response and abuse and to analyze cost savings to Medicaid operated by Kalamazoo Community Mental Health and Substance Abuse Services. Conference, in Sec. 1011, concurs with the House, with technical revisions.

### ***Sec. 1057. Hawthorn Center and Caro Center Evaluation – REVISED***

Requires DHHS to evaluate the condition of the Hawthorn Center and Caro Center, to evaluate the cost effectiveness of improvements, and to recommend improvements. Executive deletes. House strikes requirement to evaluate Caro Center. Senate deletes. Conference concurs with the House.

### ***Sec. 1060. State Psychiatric Hospital Staffing Workgroup – NEW***

House requires DHHS to convene a workgroup to address mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals; requires report. Senate does not include. Conference concurs with the House and adds the chairs of the appropriations subcommittees to the list of workgroup participants.

### ***Sec. 1061. Caro Regional Mental Health Center – NEW***

Conference requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location.

## **HEALTH POLICY**

### ***Sec. 1150. Opioid Fraud Collaboration – RETAINED***

Requires DHHS to coordinate with other state departments, law enforcement, and Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid, and to address other prescription drug and opioid abuse issues; requires a report. Executive deletes. House concurs with the Executive. Senate retains current language. Conference concurs with the Senate.

### ***Sec. 1151. Opioid Addiction Treatment Education Collaboration – RETAINED***

Requires DHHS to coordinate with other state departments, law enforcement, and Medicaid health plans to work with substance use disorder providers to inform Medicaid beneficiaries of medically appropriate opioid addiction treatment options when an opioid prescription is completed, and to address other drug abuse issues; requires a report. Executive deletes. House concurs with the Executive. Senate retains current language. Conference concurs with the Senate.

## **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

### ***Sec. 1230. School-Based Children's Dental Health Pilot – NEW***

House requires DHHS to develop and implement a school-based pilot program for children up to grade 7 for oral health assessments, primary dental services, and referrals, collaborating with the Department of Education, and local and nonprofit entities. Program goals include improving oral and physical health, and reducing rates of childhood tooth decay. Senate includes boilerplate and \$100 placeholder for a school-based nursing clinic pilot dental program. Conference concurs with the House, but revises to require that DHHS consider development of the pilot.

## **FAMILY, MATERNAL, AND CHILD HEALTH**

### ***Sec. 1314. Promotion of Early and Regular Prenatal Care – NEW***

House requires DHHS to enhance outreach efforts to encourage early, continuous, and routine prenatal care upon confirmation of pregnancy. DHHS is to ensure that programs, policies and practices promote care by supporting access, eliminating barriers, promoting best practices, and encouraging optimal prenatal habits. DHHS is to track birth and maternal outcomes of these efforts. Senate does not include. Conference concurs with the House, adding "seek to" before enhance and ensure.

### ***Sec. 1340. National Brand Peanut Butter as Approved WIC Food Item – RETAINED***

Requires the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC) to include national brand peanut butter on the list of approved food basket items for WIC participant purchase. Executive deletes. House concurs with the Executive. Senate retains current language. Conference concurs with the Senate.



## **Major Boilerplate Changes From FY 2016-17**

### **MEDICAL SERVICES**

#### ***Sec. 1764. Actuarial Soundness Certification of Medicaid Health Plan Rates – REVISED***

Requires DHHS to annually certify that rates paid to Medicaid health plans and specialty prepaid inpatient health plans are actuarially sound, to notify the legislature upon rate certification and approval, and to take into account for Medicaid policy bulletins issued after the most recent actuarial soundness process concluded. Executive and House retain current language. Senate revises to require DHHS to ensure any new or revised state policy bulletins are not promulgated to negatively impact certified rates. Conference revises to require DHHS to ensure any new or revised state policy bulletins are not promulgated to materially impact certified rates in a negative manner.

#### ***Sec. 1790. Ambulance QAAP Revenue – NEW***

House, in Sec. 1790, requires any restricted funding used for ambulance provider reimbursements come from an ambulance QAAP with a base narrowly tailored to ambulance services and shall not include other municipal services. Senate, in Sec. 1854, includes legislative intent language that DHHS not establish or collect an ambulance QAAP. Conference, in Sec. 1790, includes legislative intent language that any restricted funding used for ambulance provider reimbursements come from an ambulance QAAP with a base narrowly tailored to ambulance services and shall not include other municipal services.

#### ***Sec. 1801. Primary Care Rates – REVISED***

Requires DHHS to continue the increase in Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care; requires a report. House adds physicians who are licensed by the state and working as a primary care provider in general practice to the list of eligible primary care providers who are eligible for the Medicaid rate increase. Senate retains current language. Conference concurs with the House.

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

Requires hospitals receiving GME payments to submit quality data utilizing consensus-based nationally endorsed standards to be posted on a public website, lists specific quality reporting information, and requires hospitals to also post quality data on the hospital's website. Executive adds requirement to withhold 25% of a hospital's GME payment if the hospital does not submit the required data by January 1, 2018. House concurs with Executive but changes withhold date to July 1, 2018. Senate and Conference concur with the Executive.

#### ***Sec. 1806. Common Formulary for Medicaid Health Plans – REVISED***

Allows DHHS to establish performance standards to measure implementation progress of a common formulary; requires that ongoing implementation of the common formulary consider DHHS's preferred drug list; allows health plans to use evidence-based utilization management techniques in the implementation of the common formulary; requires health plans and DHHS to continue to emphasize the value of increased e-prescribing and electronic medical records. Executive deletes. House revises to require DHHS to monitor progress in implementing the common formulary; requires report. Senate deletes. Conference concurs with the House and adds requirement for DHHS to develop policies to operate the common formulary to ensure fair and full public participation.

#### ***Sec. 1820. Recognition of Medicaid Health Plan Accreditation – REVISED***

Requires DHHS to give consideration to Medicaid health plan accreditation when establishing compliance with state program review criteria or audit requirements; requires DHHS continue to comply with federal and state laws and not initiate any action that negatively impacts beneficiary safety; defines term "national accrediting entity"; requires progress report on implementation of section. Executive and House delete. Senate retains current language. Conference deletes reporting requirement.

#### ***Sec. 1852. Long-Term Service and Support Pilot – NOT INCLUDED***

Senate requires DHHS to implement a pilot in Wayne, Macomb, Barry, Berrien, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren counties, and the Upper Peninsula to transition home- and community-based services waiver recipients into a long-term services and support program administered by an integrated care organization, lists program requirements. Conference does not include.

#### ***Sec. 1855. Unused PACE Slots – NEW***

Senate requires DHHS, if funds are available, to allow PACE programs to increase then number of program slots if the local PACE program provides documentation of its ability to expand capacity, and to allow PACE programs to enroll more than 10 new members per month to address unmet demand. Conference concurs with the Senate.

#### ***Sec. 1859. Medicaid Research Activities – NEW***

Senate requires DHHS to partner with Medicaid health plans to develop and implement strategies for the use of information technology research activities, without charge, for the purpose of improving health, increasing quality of care, and reducing cost of care. Conference concurs with the Senate, but strikes "without charge".

#### ***Sec. 1867. Psychotropic Medicine Best Practices Workgroup – NEW***

House requires DHHS to convene a workgroup to identify best practices and to develop protocols for prescribing psychotropic medications; requires report. Senate does not include. Conference concurs with the House.