

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

## Summary: As Passed by the Senate Senate Bill 135 (S-3)



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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 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$13,513,700	\$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		440,745,800	2.5
<b>Local</b>	124,445,800	118,751,000	117,033,600	113,270,900		(11,174,900)	(9.0)
<b>Private</b>	154,259,300	149,873,300	149,873,300	149,873,300		(4,386,000)	(2.8)
<b>Restricted</b>	2,294,167,500	2,442,169,800	2,442,169,800	2,426,832,800		132,665,300	5.8
<b>GF/GP</b>	4,392,732,800	4,461,735,400	4,343,714,300	4,351,065,600		(41,667,200)	(0.9)
<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>\$516,310,200</b>	<b>2.1</b>
FTEs	15,600.5	15,620.5	15,472.0	15,345.4		(255.1)	(1.6)

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.

**NOTE:** Information on House action in this document is based on House Bill 4323 (H-1), Article X, as passed by the House.

<u>Major Budget Changes From FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 Year-to-Date (as of 2/8/17)</u>	<u>FY 2017-18 Senate Change</u>
<b>MEDICAID AND BEHAVIORAL HEALTH - GENERAL</b>		
<b>1. Traditional Medicaid Cost Adjustments</b>	<b>Gross \$13,420,787,900</b>	<b>\$100,196,000</b>
<u>Executive</u> 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. <u>House</u> revises Executive cost adjustments down by \$100.4 million Gross (\$35.4 million GF/GP). <u>Senate</u> revises Executive cost adjustments down by \$68.0 million Gross (\$35.3 million GF/GP).	Federal 8,713,156,200	21,441,500
	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	\$85,758,400
<b>2. Healthy Michigan Plan Cost Adjustments</b>	<b>Gross \$3,519,320,900</b>	<b>\$568,941,300</b>
<u>Executive</u> 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%. <u>House</u> concurs with the Executive. <u>Senate</u> revises Executive cost adjustments up by \$134.5 million Gross (\$7.7 million GF/GP).	Federal 3,388,487,600	468,820,500
	Local 633,100	0
	Restricted 119,599,800	12,191,200
	GF/GP \$10,600,400	\$87,929,600

<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 Senate Change</b>
<b>3. Actuarial Soundness Adjustments</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.	<b>Gross</b> <b>\$11,107,957,000</b>	<b>\$253,635,100</b>
	Federal	190,649,800
	Local	0
	Restricted	0
	GF/GP	\$62,985,300
<b>4. Medicaid Managed Care Use Tax Adjustments</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> and <u>Senate</u> concur with the Executive.	<b>Gross</b> <b>NA</b>	<b>(\$157,891,000)</b>
	Federal	NA
	HICA	(116,240,400)
	GF/GP	20,572,500
		(\$62,223,100)
<b>5. Health Insurance Claims Assessment Adjustments</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.	<b>Gross</b> <b>\$249,541,300</b>	<b>\$0</b>
	HICA	249,541,300
	GF/GP	\$0
		(129,909,200)
<b>DEPARTMENTWIDE ADMINISTRATION</b>		
<b>6. Integrated Service Delivery Project</b>		
<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.	FTEs	15.0
	<b>Gross</b>	<b>\$43,230,500</b>
	Federal	38,907,500
	GF/GP	\$4,323,000
		(36,922,400)
		(3,692,100)
<b>7. Financial Operations Administration Staffing</b>		
<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> and <u>Senate</u> concur with the Executive.	FTEs	494.0
	<b>Gross</b>	<b>\$57,728,700</b>
	TANF	9,090,400
	Federal	24,527,200
	Restricted	1,129,000
	GF/GP	\$22,982,100
		19.0
		\$1,824,900
		0
		912,400
		0
		\$912,500
<b>8. Economic Adjustments</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> and <u>Senate</u> concur with the Executive.	<b>Gross</b> <b>NA</b>	<b>\$16,186,500</b>
	IDG	NA
	TANF	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		112,400
		1,852,700
		4,696,800
		204,500
		21,400
		312,900
		\$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 Senate Change</b>
<b>9. Information Technology - MiSACWIS One-Time Funding</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> and <u>Senate</u> concur with the Executive.	<b>Gross</b>	<b>\$11,538,600</b>	<b>(\$11,538,600)</b>
	Federal	5,769,300	(5,769,300)
	GF/GP	\$5,769,300	(\$5,769,300)
<b>10. Merger Savings</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 (year-to-date amounts shown are for the unit, not including 2 information technology line items proposed to be transferred in the budget).	FTEs	693.2	(27.8)
	<b>Gross</b>	<b>\$200,230,100</b>	<b>(\$3,052,500)</b>
	IDG	1,912,000	0
	TANF	22,459,600	0
	Federal	79,850,300	0
	Local	16,400	0
	Private	3,842,000	0
	Restricted	838,800	0
	GF/GP	\$91,311,000	(\$3,052,500)
<b>HUMAN SERVICES</b>			
<b>11. Public Assistance Caseload Adjustments</b>			
<u>Executive</u> reduces funding for public assistance programs by \$22.4 million Gross (\$4.6 million GF/GP) as follows:	<b>Gross</b>	<b>\$171,482,200</b>	<b>(\$22,350,700)</b>
<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>	Federal	54,285,100	(17,772,000)
	Restricted	16,269,600	57,000
	GF/GP	\$100,927,500	(\$4,635,700)
<u>House</u> and <u>Senate</u> concur with the Executive.			
<b>12. Child Welfare Caseload Adjustments</b>			
<u>Executive</u> decreases funding for child welfare programs by \$9.8 million Gross (\$1.8 million GF/GP) as follows:	<b>Gross</b>	<b>\$619,918,000</b>	<b>(\$9,811,900)</b>
<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>	Federal	312,887,400	(8,561,100)
	Private	2,424,000	503,400
	Local	14,194,000	39,300
	GF/GP	\$290,412,600	(\$1,793,500)
<u>House</u> and <u>Senate</u> concur with the Executive.			
<b>13. Homeless Emergency Shelter Per Diem Rate</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.	<b>Gross</b>	<b>\$15,721,900</b>	<b>\$100</b>
	TANF	7,102,600	0
	GF/GP	\$8,619,300	\$100

<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 Senate Change</b>
<b>14. Transfer Crime Victim Rights to Attorney General</b>	FTE	13.0	(13.0)
<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.	<b>Gross</b>	<b>\$78,314,400</b>	<b>(\$78,326,400)</b>
	Federal	62,987,200	(62,989,400)
	Restricted	15,327,200	(15,337,000)
	GF/GP	\$0	\$0
<b>15. Pathways to Potential Expansion</b>	FTE	NA	0.0
<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; program is currently operating in 259 schools. Adds boilerplate Sec. 689 directing that low achieving schools and at-risk communities be prioritized. <u>House</u> does not concur with the Executive. <u>Senate</u> includes \$100 placeholder.	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
	Federal	NA	0
	GF/GP	NA	\$100
<b>16. 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 to improve their eating and lifestyle behaviors. <u>House</u> and <u>Senate</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>17. Adult Services Staffing Increase</b>	FTE	425.0	71.2
<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.	<b>Gross</b>	<b>\$44,864,400</b>	<b>\$1,867,700</b>
	Federal	30,579,700	527,800
	GF/GP	\$14,284,700	\$1,339,900
<b>18. 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.	TANF	6,270,000	2,687,100
	GF/GP	\$0	(\$2,687,100)
<b>19. 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.	Federal	8,451,000	0
	Private	10,000	0
	GF/GP	\$3,570,000	\$0
<b>20. Heat and Eat Program Continuance</b>	<b>Gross</b>	<b>\$6,766,800</b>	<b>\$0</b>
<u>Executive</u> maintains \$6.8 million GF/GP originally 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 level of funding but uses \$6.8 million federal funding to offset GF/GP.	Federal	0	6,766,800
	GF/GP	\$6,766,800	(\$6,766,800)
<b>21. 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> and <u>Senate</u> concur with the Executive.	Federal	1,115,500	0
	GF/GP	\$12,188,300	\$2,000,000

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>22. 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.	Federal	NA	5,290,000
	Local	NA	0
	GF/GP	NA	\$8,910,000
<b>23. 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.	GF/GP	NA	\$0
<b>24. Foster Parent Support and Michigan Youth Opportunities Initiative (MYOI) Expansion</b>	FTE	NA	0.0
<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.	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
	Federal	NA	0
	GF/GP	NA	\$100
<b>25. Juvenile Justice Facilities Staffing Increase</b>	FTE	84.0	0.0
<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.	<b>Gross</b>	<b>\$9,954,700</b>	<b>\$0</b>
	Federal	220,300	0
	Local	5,377,900	0
	GF/GP	\$4,356,500	\$0
<b>26. 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> and <u>Senate</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>27. GF/GP-Funded Refugee Assistance</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</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.	GF/GP	\$1,000,000	(\$1,000,000)
<b>28. Other House Program Reductions</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> reduces \$750,000 GF/GP funding for Fostering Futures Scholarship Grants, \$1,000,000 Gross (\$600,000 GF/GP) funding for Emergency Services Local Office Allocations, and \$250,000 TANF for FIP Suspicion-Based Drug Testing Pilot. <u>Senate</u> retains current-year funding for these programs.	Federal	NA	0
	GF/GP	NA	\$0

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>29. Michigan Corner Store Initiative</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</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.	GF/GP	NA	\$0
<b>30. 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. <u>Senate</u> concurs with the Executive.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>31. 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> and <u>Senate</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>32. 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 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.	Federal	NA	39,177,100
	GF/GP	NA	(\$39,177,100)
<b>33. 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> and <u>Senate</u> retain current-year fund source structure.	Federal	NA	0
	GF/GP	NA	\$0
<b>BEHAVIORAL HEALTH</b>			
<b>34. Direct Care Wage Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$22,500,000</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.	Federal	NA	15,419,200
	GF/GP	NA	\$7,080,800
<b>35. State Psychiatric Hospital Staffing Enhancement</b>	FTEs	1,613.6	0.0
<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.	<b>Gross</b>	<b>\$208,960,000</b>	<b>\$100</b>
	Federal	34,738,400	0
	Local	14,685,300	0
	Restricted	17,633,000	0
	GF/GP	\$141,903,300	\$100
<b>36. Mental Health and Wellness Commission</b>	<b>Gross</b>	<b>\$17,350,000</b>	<b>(\$18,299,900)</b>
<u>Executive</u> increases Mental Health and Wellness Commission allocation by \$3.8 million Gross (\$1.3 million GF/GP) for a 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.	Federal	9,425,000	(12,136,000)
	GF/GP	\$7,925,000	(\$6,163,900)

<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 Senate Change</b>
<b>37. Medical Marijuana Regulatory Revenue</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,263,200</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> and <u>Senate</u> concur with the Executive.	Federal	0	1,839,300
	Restricted	0	1,423,900
	GF/GP	\$0	\$0
<b>38. Behavioral Health Administration Grants</b>	<b>Gross</b>	<b>NA</b>	<b>\$700,100</b>
<u>Senate</u> provides \$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).	GF/GP	NA	\$700,100
<b>39. Autism Services</b>	<b>Gross</b>	<b>\$61,168,400</b>	<b>\$0</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> does not include House reduction.	Federal	40,223,500	0
	GF/GP	\$20,944,900	\$0
<b>40. 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> and <u>Senate</u> concur with the Executive.	GF/GP	\$1,499,300	(\$1,100,000)
<b>41. University Autism Programs</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$0</b>
<u>Executive</u> transfers university autism program funding to the one-time basis unit. <u>House</u> concurs with Executive transfer and reduces \$500,000 GF/GP. <u>Senate</u> concurs with the Executive.	GF/GP	\$1,000,000	\$0
<b>POPULATION HEALTH</b>			
<b>42. 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 Executive. <u>Senate</u> concurs with the Executive and provides increased funding of \$680,000 GF/GP for nutrition services through the Double Up Food Bucks program, and increased water testing at local food service establishments.	<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>43. Public Health – Reductions</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$999,900)</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	GF/GP	\$1,000,000	(\$999,900)
<b>44. Early Primary Care Pilot Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</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.	GF/GP	\$0	\$0
<b>45. Lead Poisoning Elimination Recommendations – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</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.	GF/GP	\$0	\$100

<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 Senate Change</b>
<b>46. Full Year Funding of Public Health and Lead Abatement Expansions</b>	FTEs	24.0	(20.0)
<u>Executive</u> provides \$2.9 million Gross increase (reduction of \$1.3 million GF/GP) and 19.5 FTE increase to annualize and continue the following new initiatives: vapor intrusion response program funded at \$2.2 million GF/GP, drinking water, childhood lead testing, toxicology and response, and public health staff enhancements funded at \$4.2 million Gross (\$0 GF/GP), and increased lead abatement of homes initially focusing on Flint, funded at \$23.5 million from available federal grants. Funding for these programs was initiated in the FY 2016-17 supplemental Act 340 of 2016. New related boilerplate sections providing outcomes and metrics are included in Sec. 1180 and 1181. <u>House</u> concurs with the Executive, except reduces the vapor intrusion response unit increase from \$815,000 GF/GP to \$400,000 GF/GP, and revises Sec. 1180 and 1181. <u>Senate</u> provides two \$100 placeholders, does not include proposed increases of \$2.8 million Gross (reduction of \$1.3 million GF/GP) and removes current year new funding of \$3.5 million GF/GP for vapor intrusion, drinking water, childhood lead testing, toxicology and response, and public health staffing but concurs with the Executive on related new Sec. 1180 and 1181; concurs with the federal lead abatement increase of \$10,000.	<b>Gross</b>	<b>\$26,987,700</b>	<b>(\$3,507,500)</b>
	Federal	23,470,000	10,000
	Restricted	0	100
	GF/GP	\$3,517,700	(\$3,517,600)
<b>47. Public Health Dental Clinics</b>	<b>Gross</b>	<b>\$1,550,000</b>	<b>\$100</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, and adds a \$100 GF/GP placeholder for a new school-based nursing clinic pilot dental program, and Sec. 1230 related boilerplate.	GF/GP	\$1,550,000	\$100
<b>48. Indigent Primary Care and Dental Care Clinics – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</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.	GF/GP	\$0	\$0
<b>49. Traumatic Brain Injury Treatment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</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.	GF/GP	\$0	\$100
<b>50. 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.	Federal	2,851,600	0
	Restricted	197,500	0
	GF/GP	\$0	\$200,000
<b>51. 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.	Federal	1,124,600	0
	Restricted	4,004,900	0
	GF/GP	\$1,434,100	\$182,000
<b>52. 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 Sec. 1907 related boilerplate.	GF/GP	\$0	\$150,000
<b>53. 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> and <u>Senate</u> concur with the Executive.	Federal	NA	8,400,000
	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 Senate Change</b>
<b>54. Alternative Pregnancy and Parenting Support Program</b>	<b>Gross</b>	<b>\$400,000</b>	<b>\$0</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.	TANF	400,000	(400,000)
	GF/GP	\$0	\$400,000
<b>AGING AND ADULT SERVICES AGENCY</b>			
<b>55. 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.	GF/GP	\$8,024,300	\$2,053,400
<b>56. 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.	Federal	27,657,000	1,700,000
	Private	300,000	0
	GF/GP	\$11,087,000	\$1,510,200
<b>57. Alzheimer's In-Home Care Pilot</b>	<b>Gross</b>	<b>\$150,000</b>	<b>\$0</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 a \$100 placeholder to continue the pilot program, currently scheduled for completion as of September 30, 2017, and retains boilerplate with revisions. <u>Senate</u> concurs with the Executive.	GF/GP	\$150,000	\$0
<b>MEDICAL SERVICES</b>			
<b>58. Special Hospital Payments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$217,645,100)</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.	Federal	NA	(151,922,800)
	Restricted	NA	(45,382,500)
	GF/GP	NA	(\$20,339,800)
<b>59. 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> retains current-year funding.	Federal	29,317,500	0
	Restricted	6,114,900	0
	GF/GP	\$9,567,600	\$0
<b>60. Oaklawn Hospital Grant</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,000,000</b>
<u>Senate</u> includes \$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.	Federal	NA	647,800
	GF/GP	NA	\$352,200
<b>61. Hospice Room and Board</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$0</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.	GF/GP	\$2,500,000	\$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 Senate Change</b>
<b>62. Medicaid Non-Emergency Medical Transportation Expansion</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</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.	Federal	NA	0
	GF/GP	NA	\$100
<b>63. 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> and <u>Senate</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>64. New Nursing Facility Quality Pool</b>	<b>Gross</b>	<b>\$1,658,317,700</b>	<b>\$73,000,100</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.	Federal	1,069,171,700	47,289,500
	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>65. 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.	Federal	NA	1,350,000
	GF/GP	NA	\$150,000
<b>66. Program of All-inclusive Care for the Elderly (PACE) Expansion</b>	<b>Gross</b>	<b>\$87,874,800</b>	<b>\$19,966,400</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.	Federal	57,250,400	12,934,200
	GF/GP	\$30,624,400	\$7,032,200
<b>67. Medicaid Direct Primary Care Pilot</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,453,200</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.	Federal	0	1,589,200
	GF/GP	\$0	\$864,000
<b>68. Neonatology Placeholder</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>House</u> and <u>Senate</u> include \$100 placeholder for a reimbursement rate increase for neonatal services.	GF/GP	NA	\$100
<b>69. Court-Appointed Guardianship Placeholder</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> includes \$100 placeholder for a reimbursement rate increase for court-appointed guardianship services. <u>Senate</u> retains current-year funding.	GF/GP	NA	\$0
<b>70. Michigan Dental Registry Placeholder</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</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.	GF/GP	NA	\$0

<b><u>Major Budget Changes From FY 2016-17 YTD Appropriations</u></b>	<b><u>FY 2016-17 Year-to-Date (as of 2/8/17)</u></b>	<b><u>FY 2017-18 Senate Change</u></b>	
<b>71. Medical Services Program Reductions</b>	<b>Gross</b>	<b>NA</b>	<b>(\$6,230,200)</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.	Federal	NA	(1,428,700)
	GF/GP	NA	(\$4,801,500)
<b>72. 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.	Restricted	NA	4,178,400
	GF/GP	NA	(\$4,178,400)
<b>73. 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	3,529,000
	GF/GP	NA	(\$3,529,000)
<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> <u>House</u> and <u>Senate</u> concur with the Executive.			

## **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.

#### **Sec. 234. Behavioral Health Integration Pilots and Demonstration Models – NEW**

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.

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

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. *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 - REVISED**

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%.

#### **Sec. 293 1152. Analytics Platform for Medicaid Claims – REVISED**

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 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.

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

### **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 and that any Medicaid waiver or Medicaid state plan amendment to only be effective for the duration of the pilots; 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 the 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.

## **CHILDREN SERVICES – CHILD WELFARE**

### **Sec. 512. Foster Care Services by Relatives Study – NOT INCLUDED**

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.

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

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

### **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.

### **Sec. 548. Relative Foster Care Licensure – NEW**

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.

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

Senate requires DHHS to make partial CCF reimbursements to counties for undisputed charges within 15 business days of received receipts.

### **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 to seeking offset against reimbursement.

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

Senate requires DHHS to respond within 10 business days to a county email clarification request.

### **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.

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

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.

### **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.

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

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

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.

### ***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 and House delete. Senate retains current language.

### ***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 retains current language.

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

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.

## **PUBLIC ASSISTANCE**

### ***Sec. 625. Legal Services Association of Michigan – DELETED***

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, House, and Senate delete.

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

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

### ***Sec. 650. Food Assistance Program Able-Bodied Adults Without Dependents Waiver – NOT INCLUDED***

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.

### ***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 retains 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 retains current language.

## **FIELD OPERATIONS AND SUPPORT SERVICES**

### ***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 retains 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 does not include.

## **BEHAVIORAL HEALTH SERVICES**

### ***Sec. 913. 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.

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

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

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.

### ***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.

### ***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 retains current language.

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

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.

### ***Sec. 1060. State Psychiatric Hospital Staffing Workgroup – NOT INCLUDED***

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.

## **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 and House delete. Senate retains current language.

### ***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 and House delete. Senate retains current language.

## **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

### ***Sec. 1230. School-Based Children's Dental Health Pilot – NOT INCLUDED***

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 does not include.

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

### ***Sec. 1314. Promotion of Early and Regular Prenatal Care – NOT INCLUDED***

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.

### ***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 and House delete. Senate retains current language.

## **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.

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

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

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.

### ***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 concurs with the Executive.

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

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.

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

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.

### ***Sec. 1852. Long-Term Service and Support Pilot – NEW***

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.

### ***Sec. 1854. 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.

### ***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.

### ***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 for the purpose of improving health, increasing quality of care, and reducing cost of care.

### ***Sec. 1867. Psychotropic Medicine Best Practices Workgroup – NOT INCLUDED***

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.