

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary: Conference Report
Article 6, House Bill 5396 (S-1) CR-1

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	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD	
			Amount	%
IDG/IDT	\$13,819,300	\$13,829,900	\$10,600	0.1%
Federal	18,306,958,900	20,066,172,200	1,759,213,300	9.6%
Local	146,246,000	161,422,800	15,176,800	10.4%
Private	142,959,500	177,172,500	34,213,000	23.9%
Restricted	2,978,783,900	2,989,480,100	10,696,200	0.4%
GF/GP	4,769,278,700	5,090,371,100	321,092,400	6.7%
Gross	\$26,358,046,300	\$28,498,448,600	\$2,140,402,300	8.1%
FTEs	15,438.0	15,487.0	49.0	0.3%

Notes:

- (1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
- (2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
- (3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Department of Health and Human Services (DHHS) 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, and 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.

<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>	<u>FY 2019-20 Year-to-Date (as of 2/6/20)</u>	<u>FY 2020-21 Conference Change</u>
MEDICAID AND BEHAVIORAL HEALTH – GENERAL		
1. Traditional Medicaid Cost Adjustment	Gross \$14,654,187,100	\$895,928,200
Increases \$895.9 million Gross (\$100.0 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments based on the August caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency. Amount includes GF/GP offsets from federal FMAP and SCHIP match rates adjustments from 64.06% to 64.08% and 86.34% to 74.86%, respectively, plus an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 1 quarter. Primary source of cost increases is from additional caseloads as a result of the COVID-19 pandemic.	Federal 9,340,804,400	796,114,100
	Local 52,140,400	(70,900)
	Private 2,100,000	0
	Restricted 2,351,951,200	(79,100)
	GF/GP \$2,907,191,100	\$99,964,100
2. Healthy Michigan Plan Cost Adjustment	Gross \$4,116,287,200	\$994,327,400
Increases \$994.3 million Gross (\$121.9 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments based on the August caseload consensus. Primary source of cost increases is from additional caseloads as a result of the COVID-19 pandemic.	Federal 3,741,823,200	864,252,100
	Local 1,754,800	240,800
	Restricted 338,849,100	7,911,900
	GF/GP \$33,860,100	\$121,922,600

HEALTH AND HUMAN SERVICES

		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>			
3. Actuarial Soundness	Gross	NA	\$207,813,000
Includes \$207.8 million Gross (\$61.6 million GF/GP) to support an estimated 2.0% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), Medicaid Health plans, home- and community-based services, and Healthy Kids Dental, and an estimated 6.0% increase for PIHP autism services.	Federal	NA	146,197,100
	GF/GP	NA	\$61,615,900
DEPARTMENTAL ADMINISTRATION			
4. MiSACWIS Replacement	FTE	0.0	6.0
Includes \$4.4 million Gross (\$2.6 million GF/GP) and authorizes 6.0 FTE positions to begin the replacement of MiSACWIS with a new Comprehensive Child Welfare Information System (CCWIS). Replacement will include the introduction of 9 cloud-based modules over the course of approximately 5 to 6 years.	Gross	\$0	\$4,389,400
	Federal	0	1,789,400
	GF/GP	\$0	\$2,600,000
5. Office of Inspector General – Vacant FTE Positions	FTE	207.0	(10.0)
Includes a reduction of \$1.3 million Gross (\$671,900 GF/GP) and 10.0 FTE positions due to currently vacant positions. SBO has indicated that the department does not intend to fill these positions in the current fiscal year.	Gross	\$25,961,600	(\$1,303,100)
	IDG/IDT	198,200	0
	TANF	874,800	0
	Federal	13,421,100	(631,200)
	GF/GP	\$11,467,500	(\$671,900)
6. Lease Cancellations and Staff Relocation	Gross	NA	(\$2,788,100)
Includes a reduction of \$2.8 million Gross (\$1.5 million GF/GP) resulting from the transfer of the Victor building to the Department of Labor and Economic Opportunity and the cancellation of multiple leases.	Federal	NA	(1,296,800)
	GF/GP	NA	(\$1,491,300)
7. Information Technology Consolidation	FTE	43.0	(30.0)
Includes a net-zero transfer of \$40.0 million Gross (\$10.0 million GF/GP) from one-time appropriations, as well as \$6.0 million GF/GP from various line items across the department budget to the Information Technology appropriation unit to ameliorate the identified information technology GF/GP funding shortfall. Also adjusts FTE positions and distributes appropriations from the Information Technology Contingency line item to the major IT programs.	Gross	\$504,698,900	\$6,000,000
	IDG/IDT	1,067,000	0
	TANF	24,854,500	0
	Federal	345,760,400	0
	Private	25,000,000	0
	Restricted	1,999,800	0
	GF/GP	\$106,017,200	\$6,000,000
8. Property Management – Non-State-Owned Building Leases	Gross	\$65,809,800	\$866,300
Includes \$866,300 Gross (\$671,400 GF/GP) to account for adjustments in lease costs for non-state-owned buildings utilized by the department.	IDG/IDT	593,500	0
	TANF	10,698,900	0
	Federal	23,921,000	194,900
	Private	36,400	0
	Restricted	494,900	0
	GF/GP	\$30,065,100	\$671,400
9. Economic Adjustments	Gross	NA	\$53,898,000
Reflects increased costs of \$53.9 million Gross (\$34.7 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	10,600
	TANF	NA	(13,400)
	Federal	NA	18,172,100
	Local	NA	101,300
	Private	NA	239,200
	Restricted	NA	699,900
	GF/GP	NA	\$34,688,300

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Major Budget Changes From FY 2019-20 YTD Appropriations

**FY 2019-20
Year-to-Date
(as of 2/6/20)** **FY 2020-21
Conference
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CHILD SUPPORT ENFORCEMENT

10. Child Support Operations Reduction

Includes a \$3.9 million Gross (\$1.3 million GF/GP) reduction for the Office of Child Support based on costs and administrative efficiencies.

FTE	179.7	0.0
Gross	\$23,464,900	(\$3,900,000)
Federal	14,810,400	(2,574,000)
GF/GP	\$8,654,500	(\$1,326,000)

COMMUNITY SERVICES AND OUTREACH

11. Homeless Programs

Includes \$649,800 GF/GP to increase funding for homeless programs that provide emergency shelter and services to homeless individuals. Increase is to provide additional funding to current providers for additional services at current per diem rates.

Gross	\$22,632,700	\$649,800
Federal	3,613,900	0
TANF	6,162,600	0
GF/GP	\$12,856,200	\$649,800

12. Runaway and Homeless Youth Grants

Includes an increase of \$400,000 GF/GP for Runaway and Homeless Youth programs.

Gross	\$7,384,000	\$400,000
Federal	3,103,000	0
TANF	3,424,800	0
GF/GP	\$856,200	\$400,000

13. School Success Partnership Program

Includes \$525,000 federal funding for state grant to Northeast Michigan Community Service Agency for School Success Partnership Program. Sec. 450 is related boilerplate.

Gross	\$0	\$525,000
TANF	0	525,000
GF/GP	\$0	\$0

14. Child Advocacy Centers

Includes an increase of \$999,900 GF/GP for child advocacy centers. Sec. 459 is related boilerplate.

FTE	0.5	0.0
Gross	\$1,407,100	\$999,900
Restricted	1,407,000	0
GF/GP	\$100	\$999,900

15. Unified Clinics Resiliency Center for Families and Children – One-Time Funding

Includes \$1.5 million GF/GP for a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions. Sec. 1919 is related boilerplate.

Gross	\$100	\$1,499,900
GF/GP	\$100	\$1,499,900

16. Washtenaw County Youth Programs- One-Time Funding

Includes \$250,000 GF/GP for a grant to a provider network for services to youth in Washtenaw County during the COVID-19 crisis. Sec. 1914 is related boilerplate.

Gross	NA	\$250,000
GF/GP	NA	\$250,000

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

17. Child Welfare Caseload Adjustments

Increases funding for child welfare programs by \$27.8 million Gross (\$39.4 million GF/GP) as follows:

- Foster care payments are increased by \$9.1 million Gross (\$9.0 million GF/GP) from 6,124 cases at \$37,100 per year to 8,152 cases at \$32,415 per year.
- Adoption subsidies are reduced by \$1.1 million Gross (\$178,700 GF/GP) from 22,062 cases at \$730.41 per month to 22,061 cases at \$728.48 per month.
- The Child Care Fund is increased by \$19.8 million Gross (\$30.9 million GF/GP).
- Guardianship assistance payments are reduced by \$103,200 Gross (\$250,900 GF/GP) from 1,188 cases at \$709.26 per month to 1,201 cases at \$694.42 per month.

Caseload estimates based on August caseload consensus.

Gross	\$696,118,600	\$27,799,500
Federal	198,373,900	(1,889,400)
TANF	94,280,100	(14,310,500)
Local	40,914,500	5,166,900
Private	1,770,700	(562,700)
GF/GP	\$360,779,400	\$39,395,200

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<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
18. Child Welfare FMAP Savings	Gross	NA	\$0
Includes \$3.6 million GF/GP savings from a 6.2 percentage point increase in state FMAP rates in the first quarter of FY 2020-21 provided under the federal Families First Coronavirus Response Act.	Federal	NA	3,600,000
	GF/GP	NA	(\$3,600,000)
19. Qualified Residential Treatment Program (QRTP) Child Assessments	Gross	\$259,974,400	\$3,410,600
Includes an increase of \$3.4 million Gross (\$2.5 million GF/GP) for assessments of children in private foster care institutions. Third-party treatment assessments are mandated by the federal Family First Prevention Services Act (FFPSA) to be completed within 30 days of placement in a QRTP.	Federal	105,645,300	910,600
	TANF	9,248,000	0
	Local	18,102,700	0
	Private	1,770,700	0
	GF/GP	\$125,207,700	\$2,500,000
20. Foster Care Prevention Programming	FTE	NA	5.0
Includes an increase of \$716,300 Gross (\$524,500 GF/GP) and authorization for 5.0 FTE positions for community analysts/liaisons to provide services to help families avoid entry into foster care and prevent children from being placed into residential care.	Gross	NA	\$716,300
	Federal	NA	191,800
	GF/GP	NA	\$524,500
21. Foster Care Congregate Care Pilot	Gross	NA	\$501,500
Adds \$501,500 GF/GP to fund the first year of a congregate care pilot that will use an evidence-based program with focused cognitive behavioral therapy for foster children.	GF/GP	NA	\$501,500
22. Residential Foster Care Facility Rate Increase	Gross	\$259,974,400	\$7,086,100
Includes an increase of \$7.1 million Gross (\$4.6 million GF/GP) to fund a residential rate increase for private agencies to meet new residential treatment requirements, such as additional staffing, programming, and accreditation, under the federal FFPSA.	Federal	105,645,300	2,486,100
	TANF	9,248,000	0
	Local	18,102,700	0
	Private	1,770,700	0
	GF/GP	\$125,207,700	\$4,600,000
23. Family Preservation Program Private Agency Rate Increase	FTE	15.0	0.0
Adds \$1.8 million GF/GP to fund an increase to private agency rates for family preservation program services. Sec. 523(3) is related boilerplate and states any eligible federal matching funds may be allocated as well.	Gross	\$46,820,900	\$1,750,000
	Federal	609,100	0
	GF/GP	43,235,600	0
		\$2,976,200	\$1,750,000
24. Adoption Provider Rate Increase	Gross	NA	\$1,500,000
Includes \$1.5 million Gross (\$1.0 million GF/GP) to fund an increase to private agency rates for adoption support services. Sec. 509 is related boilerplate.	Federal	NA	500,000
	GF/GP	NA	\$1,000,000
25. West Michigan Partnership for Children Rate Increase	Gross	\$29,320,700	\$8,777,700
Includes \$8.8 million Gross (\$4.7 million GF/GP) to fund a prospective case rate increase based on updated program costs, the transition to a global capitated payment model, and the establishment of a risk reserve fund. Sec. 504 is related boilerplate.	Federal	8,773,800	4,037,700
	TANF	3,690,100	0
	Local	4,500,000	0
	GF/GP	\$12,356,800	\$4,740,000
26. Relative Licensure Incentive Payments	Gross	\$2,250,000	(\$2,250,000)
Eliminates \$2.3 million Gross (\$800,000 GF/GP) for incentive payments concerning the licensure of relative caregivers as foster parents, including \$2.0 million Gross (\$550,000 GF/GP) to child placing agencies and \$250,000 GF/GP to relative caregivers.	Federal	1,450,000	(1,450,000)
	GF/GP	\$800,000	(\$800,000)
27. Court-Appointed Special Advocates	Gross	\$100	\$499,900
Adds \$499,900 GF/GP for court-appointed special advocates that advocate in the legal system for children who have been abused or neglected. Sec. 526 is related boilerplate.	GF/GP	\$100	\$499,900

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<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
28. Kinship Caregiver Advisory Council	Gross	\$0	\$200,000
Includes \$200,000 GF/GP to provide support and coordinated services to the Kinship Caregiver Advisory Council within DHHS. Sec. 575 is related boilerplate.	GF/GP	\$0	\$200,000
29. Parent-to-Parent Mentoring Program	Gross	\$0	\$250,000
Includes \$250,000 GF/GP to Adoptive Family Support Network for the Parent-to-Parent mentoring program. Sec. 559 is related boilerplate.	GF/GP	\$0	\$250,000
30. Children Protective Services Legal Representation Program	Gross	\$0	\$4,263,300
Includes \$4.3 million federal grant funding for a new program to provide children and parents legal representation in child protective hearings.	Federal GF/GP	0 \$0	4,263,300 \$0
PUBLIC ASSISTANCE			
31. Public Assistance Caseload Adjustments	Gross	NA	\$43,171,300
Recognizes a \$43.2 million Gross (\$40.4 million GF/GP) increase resulting from adjustments in expected public assistance caseloads in accordance with the August 2020 Consensus Revenue Estimating Conference. Increased caseloads are correlated with the COVID-19 pandemic and resulting emergency response.	TANF Federal Restricted GF/GP	NA NA NA NA	5,213,600 0 (2,452,300) \$40,410,000
<ul style="list-style-type: none"> Family Independence Program: increase of \$39.4 million Gross (\$35.2 million GF/GP) Food Assistance Program: no change from YTD State Supplementation: increase of \$1.7 million GF/GP State Disability Assistance: increase of \$2.1 million Gross (\$3.6 million GF/GP) 			
32. Food Assistance Program Reinvestment	FTE Gross	0.0 \$0	6.0 \$10,991,200
Includes \$11.0 million GF/GP and authorizes 6.0 FTE positions to support both penalty payments to the federal government and a federally-required corrective action plan. Penalties are related to multi-year higher than national average error rates in food assistance over/under payments.	GF/GP	\$0	\$10,991,200
33. Field Operations – Administrative Reductions	Gross	NA	(\$850,000)
Includes \$850,000 GF/GP in administrative reductions across multiple line items. Reductions include \$500,000 GF/GP from Pathways to Potential; \$150,000 from Volunteer Services and Reimbursements; \$100,000 GF/GP from Public Assistance Field Staff; and \$100,000 from Contractual Services, Supplies, and Materials.	GF/GP	NA	(\$850,000)
34 Public Assistance Fund Source Transfers	Gross	NA	\$0
Shifts \$2.0 million TANF to offset \$2.0 million GF/GP from the Family Independence Program and includes \$700,000 GF/GP to replace a shortfall in restricted Supplemental Security Income recoveries revenue.	TANF Restricted GF/GP	NA NA NA	2,000,000 (700,000) (\$1,300,000)
35. Kids' Food Basket – One-Time Funding	Gross	NA	\$250,000
Includes \$250,000 GF/GP in one-time funding for a grant to a West Michigan non-profit that provides free meals to children of low-income families.	GF/GP	NA	\$250,000
36. Legal Assistance – One-Time Funding	Gross	NA	\$60,000
Includes \$60,000 GF/GP in one-time funding for a grant to the Allegan County Legal Assistance Center, which provides free civil-law legal assistance to low-income individuals.	GF/GP	NA	\$60,000

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<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>		<u>FY 2019-20 Year-to-Date (as of 2/6/20)</u>	<u>FY 2020-21 Conference Change</u>
BEHAVIORAL HEALTH SERVICES			
37. K.B. v. Lyon	FTE	NA	9.0
Includes \$19.1 million Gross (\$2.7 million GF/GP) and authorization for 9.0 FTE positions for behavioral health services and supports monitoring, system improvement, and performance monitoring for children related to the legal settlement K.B. v. Lyon. Amount includes \$17.7 million Gross (\$1.8 million GF/GP) for IT system upgrades.	Gross	NA	\$19,102,000
	Federal	NA	16,435,300
	GF/GP	NA	\$2,666,700
38. Nursing Home Pre-Admission Screening (PAS)/ Annual Resident Reviews (ARR) Cost Increase	FTE	7.0	0.0
Adds \$1.6 million Gross (\$407,700 GF/GP) for increased clinical evaluations for individuals with mental illnesses for developmental disabilities who are requesting to or are residing in a nursing home.	Gross	\$12,291,300	\$1,631,100
	Federal	9,218,600	1,223,400
	GF/GP	\$3,072,700	\$407,700
39. Behavioral Health Homes	Gross	\$3,369,000	\$23,400,700
Includes \$23.4 million Gross (\$2.5 million GF/GP) to expand the number of behavioral health homes, including opioid health homes, by a prospective 9,245 enrollees.	Federal	3,032,100	20,934,400
	Local	246,900	0
	GF/GP	\$90,000	\$2,466,300
40. State Psychiatric Hospital Direct Care Staffing	FTE	1,838.3	60.0
Includes \$5.0 million GF/GP and authorization for 60.0 FTE positions to increase direct care staffing levels at 4 of the state's psychiatric hospitals and centers: Kalamazoo, Walter P. Reuther, Hawthorn, and the Center for Forensic Psychiatry.	Gross	\$239,384,600	\$5,000,000
	Federal	35,551,100	0
	Local	19,288,000	0
	Restricted	10,275,000	0
	GF/GP	\$174,270,500	\$5,000,000
41. State Psychiatric Hospital Coronavirus Relief Funds	FTE	1,838.3	0.0
Replaces \$22.5 million GF/GP with a like amount of federal Coronavirus Relief Funds (CRF), which can be used to cover certain personnel costs through December 30, 2020.	Gross	\$239,384,600	\$0
	Federal	35,551,100	22,500,000
	Local	19,288,000	0
	Restricted	10,275,000	0
	GF/GP	\$174,270,500	(\$22,500,000)
42. Behavioral Health Facility Contingency Transfer	Gross	\$20,000,000	\$0
Transfers \$20.0 million GF/GP from the new Behavioral Health Facility Contingency line item into the state hospitals and centers line items. Sec. 1053 is related deleted boilerplate.	GF/GP	\$20,000,000	\$0
43. Behavioral Health Program Reductions	Gross	NA	(\$3,299,600)
Includes reductions totaling \$3.3 million GF/GP for various behavioral health programs including in-sourcing Children's Transition Support Team, court-ordered assisted treatment, jail diversion, applied behavioral treatment, and psychiatric bed database.	GF/GP	NA	(\$3,299,600)
44. Direct Care Worker Wage Increase – One-Time Funding	Gross	\$0	\$150,000,000
Adds \$150.0 million Gross (\$40.0 million GF/GP) to provide a temporary \$2.00 per hour wage increase for direct care workers for 3 months. Funding would be available for the same direct care workers that were eligible for COVID-19 direct care worker hazard pay included in 2020 PA 123, including Medicaid-eligible behavioral health direct care workers, skilled nursing facility employees, and area agency on aging direct care employees.	Federal	0	110,000,000
	GF/GP	\$0	\$40,000,000

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45. Other Behavioral Health Funding – One-Time Funding **Gross** **\$1,125,000** **\$4,394,800**
Adds \$4.4 million GF/GP in one-time funding for the following behavioral health programs: \$2.5 million for first responder post-traumatic stress syndrome and other mental health conditions, \$1.0 million for Special Olympics, \$250,000 for Great Lakes Recovery Center, \$200,000 for nonprofit mental health clinics, \$200,000 for The Children's Center, \$100,000 for Safe Substance Abuse Coalition, and maintains the \$1.0 million GF/GP for autism navigators and adds \$144,800 GF/GP to Autism Train-the-Trainer, which were both funded in FY 2019-20. **GF/GP** **\$1,125,000** **\$4,394,800**

POPULATION HEALTH

46. Expand Programs for Healthy Moms and Healthy Babies **Gross** **NA** **\$23,531,900**
Increases funding by \$23.5 million Gross (\$12.6 million GF/GP) for expansion of maternal and infant health and support programs, including lengthening Medicaid coverage for new mothers and infants to 12 months from 2 months, enhancing access to behavioral health care, and expanding Medicaid and other home visiting programs for pregnant women, new mothers, and at-risk families. **Federal** **NA** **10,900,400**
 GF/GP **NA** **\$12,631,500**

47. State Innovation Model Grant Completion **Gross** **\$10,002,700** **(\$10,002,700)**
Removes \$10.0 million excess federal authorization for the completed federal State Innovation Model (SIM) grant, first funded in FY 2014-15, and revises related boilerplate Sec. 1144 to provide certain reporting. **Federal** **10,002,700** **(10,002,700)**
 GF/GP **\$0** **\$0**

48. Michigan Essential Health Provider **Gross** **\$4,519,600** **(\$1,000,000)**
Reduces Michigan Essential Health Provider program by \$1.0 million GF/GP, the amount of a FY 2019-20 program increase, and eliminates related boilerplate Sec. 1141. **Federal** **1,236,300** **0**
 Private **855,000** **0**
 GF/GP **\$2,428,300** **(\$1,000,000)**

49. Laboratory Equipment for Newborn Screening Testing **Gross** **\$23,774,500** **\$1,500,000**
Provides \$1.5 million of state restricted newborn screening fee revenue for laboratory information technology and testing instruments for new approved newborn screening tests. **IDG** **1,004,600** **0**
 Federal **4,338,600** **0**
 Restricted **12,147,200** **1,500,000**
 GF/GP **\$6,284,100** **\$0**

50. Lead Abatement Grant SCHIP Adjustment **Gross** **\$33,768,000** **\$0**
Includes a net \$0 Gross (\$2.8 million GF/GP) federal to GF/GP fund shift to recognize reduction from 86.34% to 74.86% of the federal share of Children's Health Insurance Program (SCHIP) grant funds approved for use for lead abatement in Flint and other high-risk communities for up to five years, since FY 2016-17. Revises related Sec. 1182 boilerplate. **Federal** **22,349,600** **(2,785,500)**
 Private **77,800** **0**
 Restricted **723,700** **0**
 GF/GP **\$10,616,900** **\$2,785,500**

51. Lead Poisoning Prevention Fund – One-Time Funding **Gross** **\$0** **\$2,000,000**
Includes new one-time funding of \$2.0 million GF/GP to establish a Lead Poisoning Prevention Fund to be administered by an independent third-party as a public-private loan loss reserve fund for private lenders; fund would support low-cost loans to homeowners and landlords for lead remediation projects. Sec. 1913 is related boilerplate. **GF/GP** **\$0** **\$2,000,000**

52. Flint Drinking Water and Lead Exposure **Gross** **\$4,621,100** **(\$100)**
Continues funding of \$4.6 million GF/GP for assistance to residents exposed to lead in the City of Flint but moves appropriation from one-time to ongoing. Related Sec. 1910 boilerplate is moved to Sec. 1306. **GF/GP** **\$4,621,100** **(\$100)**

53. Bone Marrow Donor and Blood Bank Programs **Gross** **\$0** **\$750,000**
Includes \$250,000 GF/GP for Be the Match marrow donor registry program and \$500,000 GF/GP for cord blood bank programs, both through the Versiti Blood Center. Sections 1146 and 1147 are related boilerplate. **GF/GP** **\$0** **\$750,000**

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54. Family Readiness Events	Gross	\$0	\$25,000
Includes \$25,000 GF/GP for free family emergency readiness public events. Sec. 1185 is related boilerplate.	GF/GP	\$0	\$25,000
55. Rare Disease Review Committee	Gross	\$0	\$70,000
Includes \$70,000 GF/GP to support the establishment of a rare disease review committee within DHHS. Sec. 1240 is related boilerplate. HB 5465 is similar proposed legislation.	GF/GP	\$0	\$70,000
56. School Children's Healthy Exercise Program	Gross	\$1,000,000	(\$500,000)
Reduces funding by \$500,000 GF/GP for an ongoing school children's healthy exercise program first funded in FY 2012-13 to address childhood obesity. Sec. 1226 related boilerplate is revised to direct remaining funding only to before- and after-school programming.	GF/GP	\$1,000,000	(\$500,000)
57. Population Health Reductions for GF/GP Savings	Gross	NA	(\$2,621,800)
Includes additional reductions for \$2.8 million GF/GP savings including:	Private	NA	136,500
• PFAS \$500,000 as an offset to \$1.0 million new federal funds	Restricted	NA	45,500
• PFAS \$581,800 drinking well laboratory test cost savings	GF/GP	NA	(\$2,803,800)
• Revised lead and copper rule local support \$1.0 million			
• HIV program shift \$182,000 cost for 3 positions to non-GF/GP			
• Prenatal care home visit program \$40,000 contract savings			
• \$500,000 savings for various projects contracted with the Michigan Public Health Institute			
58. Population Health Non-GF/GP Funds Adjustments	Gross	NA	\$52,104,000
Recognizes a net increase of \$52.1 million Gross for federal, local, private, and state restricted funding, including:	Federal	NA	13,445,100
• \$10.7 million net federal grant funds increase for opioid overdose data to action, biomonitoring assessments, lead poisoning prevention, PFAS health studies, epidemiology and laboratory capacity, family planning Title X, and completion of oral health workforce grant;	Local	NA	8,442,700
• \$32.8 million federal and private funds to AIDS program primarily reflecting increased drug assistance program rebate revenue;	Private	NA	30,200,000
• \$200,000 private funds from Amanda's Fund for Breast Cancer Prevention and Treatment;	Restricted	NA	16,200
• \$16,200 increase for annual inflationary fee adjustment for screening of newborns for genetic conditions; and	GF/GP	NA	\$0
• \$8.4 million local funds for expanded child and adolescent health center care and emotional health services in schools, originating from the state School Aid Fund and included as a new line item.			
59. Healthy Communities Grant – One-Time Funding	Gross	\$300,100	(\$100)
Continues one-time funding of \$300,000 GF/GP for healthy living, obesity prevention, and substance abuse prevention programs of Leaders Advancing and Helping Communities. Sec. 1915 is related boilerplate.	GF/GP	\$300,100	(\$100)
60. Infant Genome Testing for Treatment – One-Time Funding	Gross	\$0	\$1,000,000
Includes \$1.0 million Gross (\$250,000 GF/GP) for rapid whole genome sequencing testing for critically ill infants and children, through Project Baby Deer with Spectrum Children's Hospital. Sec. 1917 is related boilerplate.	Federal	0	650,000
	Private	0	100,000
	GF/GP	\$0	\$250,000
61. Vision Clinic – One-Time Funding	Gross	\$0	\$100,000
Includes \$100,000 GF/GP for vision services to special needs individuals through a nonprofit vision clinic. Sec. 1927 is related boilerplate.	GF/GP	\$0	\$100,000

HEALTH AND HUMAN SERVICES**Major Budget Changes From FY 2019-20 YTD Appropriations**

FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
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AGING AND ADULT SERVICES**62. Senior Programs - Non-GF/GP Funds Adjustments**

Recognizes \$2.0 million increase of federal and private funds for senior programs including \$700,000 for community supportive services, \$800,000 for congregate and home-delivered meals, and \$500,000 from the Michigan Health Endowment Fund to improve health of individuals receiving public long-term care support services.

Gross	\$111,781,900	\$2,000,000
Federal	59,343,900	1,500,000
Private	520,000	500,000
Restricted	6,068,700	0
GF/GP	\$45,849,300	\$0

63. Senior Call Check Pilot Program

Includes \$40,000 GF/GP for a senior call check pilot program for voluntary regular contact with participating seniors. Sec. 1426 is related boilerplate. HB 6236 is similar proposed legislation.

Gross	\$0	\$40,000
GF/GP	\$0	\$40,000

64. Senior Citizen Center Grants – One-Time Funding

Continues one-time funding for a small grants program for health-related senior programs at multipurpose senior citizen centers at a reduced appropriation of \$150,000 GF/GP. Sec. 1923 is related boilerplate.

Gross	\$500,000	(\$350,000)
GF/GP	\$500,000	(\$350,000)

MEDICAL SERVICES**65. Healthy Michigan Plan Administration**

Removes \$20.7 million Gross (\$15.2 million GF/GP) in Healthy Michigan Plan administration related to a federal judge ruling the new workforce engagement requirements were unlawful and the resulting delay in implementing the new workforce engagement requirements.

FTE	36.0	0.0
Gross	\$55,629,700	(\$20,721,400)
GF/GP	26,549,200	(5,541,300)
	\$29,080,500	(\$15,180,100)

66. Claimsure

Adds \$1.2 million Gross (\$300,000 GF/GP) for a predictive modeling tool for provider billing accuracy by identifying outlier claims.

Gross	NA	\$1,200,000
Federal	NA	900,000
GF/GP	NA	\$300,000

67. Healthy Kids Dental Risk Corridor

Assumes \$33.7 million Gross (\$12.1 million GF/GP) in savings from a 2-way risk corridor for the Healthy Kids Dental managed care program.

Gross	NA	(\$33,686,000)
Federal	NA	(21,586,000)
GF/GP	NA	(\$12,100,000)

68. Medicaid Managed Care Organization Risk Corridor

Assumes \$141.4 million Gross (\$36.0 million GF/GP) in savings from cost settling the FY 2019-20 2-way risk corridor for Medicaid Managed Care Organizations. Sec. 1881 is related boilerplate and states legislative intent that a 2-way risk corridor is not included in the managed care capitation rates in the next fiscal year.

Gross	NA	(\$141,360,000)
Federal	NA	(105,360,000)
GF/GP	NA	(\$36,000,000)

69. Medicaid Managed Care Organization Single Preferred Drug List

Assumes \$190.8 million Gross (\$47.7 million GF/GP) in net savings from establishing a single preferred drug list to be utilized by all Medicaid managed care organizations and increasing Medicaid managed care independent pharmacy dispensing fees. Amount includes \$322.3 million Gross (\$80.7 million GF/GP) in additional pharmaceutical rebate savings, \$86.2 million Gross (\$21.6 million GF/GP) in additional pharmaceutical ingredient costs, and \$45.3 million Gross (\$11.3 million GF/GP) in dispensing fee increases. Sections 1625, 1879, and 1880 are related boilerplate.

Gross	NA	(\$190,762,800)
Federal	NA	(143,020,200)
GF/GP	NA	(\$47,742,600)

70. Medicaid Managed Care Organization Rate Reduction – Third Party Liabilities

Assumes a savings of \$30.6 million Gross (\$11.0 million GF/GP) from Medicaid health plans recouping a greater amount of third-party liability collections.

Gross	\$5,384,831,800	(\$30,623,600)
Federal	3,532,282,900	(19,623,600)
Local	25,140,900	0
Restricted	1,625,099,700	0
GF/GP	\$202,308,300	(\$11,000,000)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
71. Medicaid Hospital Outpatient Rate Increase	Gross	NA	\$352,646,000
Includes \$352.6 million Gross (\$0 GF/GP) to provide a 21.37% rate increase in Medicaid outpatient hospital reimbursements utilizing provider tax revenue. The corresponding HRA increase and MACI decrease would result in assumed GF/GP savings of \$15.7 million.	Federal	NA	253,480,300
	Restricted	NA	114,881,800
	GF/GP	NA	(\$15,716,100)
72. MiDocs	Gross	\$17,500,000	\$5,400,000
Includes \$5.4 million Gross (\$1.4 million GF/GP) to support the new MiDocs class during the current fiscal year over the course of 5 years.	Federal	8,750,000	2,700,000
	Restricted	5,000,000	1,350,000
	GF/GP	\$3,750,000	\$1,350,000
73. Private Duty Nursing	Gross	NA	\$3,780,600
Includes \$8.7 million Gross (\$3.1 million GF/GP) to provide a 10% rate increase for private duty nursing services for Medicaid recipients under the age of 21.	Federal	NA	2,481,200
	GF/GP	NA	\$1,299,400
74. Tribal Pharmacy Reimbursement Increase	Gross	NA	\$17,000,000
Includes \$17.0 million federal to provide tribal health centers with a pharmacy reimbursement rate increase. The intent is to reimburse Native Americans' drug costs at the federal all-inclusive rate.	Federal	NA	17,000,000
	GF/GP	NA	\$0
75. Nonemergency Medical Transportation (NEMT)	Gross	\$18,686,800	(\$1,165,800)
Reflects a \$1.2 million Gross (\$400,700 GF/GP) reduction in NEMT contract costs. Contract with LogistiCare – which provides NEMT services to Macomb, Oakland, and Wayne Counties – was re-bid at a lower cost.	Federal	10,458,800	(765,100)
	GF/GP	\$8,228,000	(\$400,700)
76. Skilled Nursing Facility PPE Grants – One-Time Funding	Gross	\$0	\$20,000,000
Includes \$20.0 million of federal Coronavirus Relief Funds (CRF) for personal protection equipment (PPE) grants to be allocated to skilled nursing facilities on a per licensed bed basis. Sec. 1928 is related boilerplate.	Federal	0	20,000,000
	GF/GP	\$0	\$0
77. Michigan Health Information Network (MiHIN) – One-Time Funding	Gross	\$0	\$2,750,000
Includes \$2.8 million GF/GP to MiHIN for health information technology strategies for data management, data clean-up, and data governance.	GF/GP	\$0	\$2,750,000
78. Access Health Actuarial Study – One-Time Funding	Gross	\$0	\$275,000
Includes \$275,000 GF/GP to complete a federal section 1332 state innovation waiver actuarial analysis for community-based coverage entities to provide health coverage and educational and occupational training to individuals who qualify.	GF/GP	\$0	\$275,000
79. State Restricted Revenue Adjustments	Gross	NA	\$0
Revises restricted revenues based on projected available revenue for a net reduction of \$53.4 million, which is offset by a like amount of GF/GP. Revisions include:	Restricted	NA	(53,445,300)
	GF/GP	NA	\$53,445,300
<ul style="list-style-type: none"> • Reducing Medicaid Benefits Trust Fund \$33.0 million. • Reducing Merit Award Trust Fund \$8.5 million. • Reducing Healthy Michigan Fund \$4.7 million. • Removing Health Insurance Claims Assessment (HICA) fund balance \$7.2 million. 			

Major Budget Changes From FY 2019-20 YTD Appropriations

FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
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ONE-TIME APPROPRIATIONS

80. Remove FY 2019-20 One-Time Appropriations

Removes one-time appropriations included in FY 2019-20. Any funding retained into FY 2020-21 is noted elsewhere.

FTE	10.0	(10.0)
Gross	\$253,882,900	(\$253,882,900)
Federal	166,790,800	(166,790,800)
Restricted	100	(100)
GF/GP	\$87,092,000	(\$87,092,000)

Boilerplate Changes From FY 2019-20

GENERAL SECTIONS

Sec. 208. Legal Services of Attorney General – NEW

Prohibits the use of funds to hire a person to provide legal services that are the responsibility of the Attorney General, except for bonding activities and outside services authorized by the Attorney General.

Sec. 210. Contingency Fund Appropriations – REVISED

Appropriates federal, state restricted, local, and private contingency funds of up to \$132 million total, available for expenditure when transferred to a line item through the legislative transfer process. Revises to reduce maximum amounts for federal and state restricted contingency appropriations for a total amount of up to \$47 million.

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

Requires policy manual to be available on the DHHS website; and requires a report by April 1 on policy changes made to implement new acts. Revises to also require written notification to the legislature of any major policy changes at least 30 days before implementation.

Sec. 234. Receipt and Retention of Reports – NEW

Requires DHHS to receive and retain copies of all reports funded from the appropriations in part 1 and to follow federal and state guidelines for short-term and long-term retention of records.

Sec. 235. Reappropriation of Unexpended Federal Coronavirus Relief Funds – NEW

Requires that as of December 30, 2020 any unexpended coronavirus relief funds appropriated in part 1 be unappropriated and immediately reappropriated to the unemployment compensation fund to support 2020 costs.

Sec. 240. Use of Existing Work Project Authorization – REVISED

Prohibits expenditure of appropriations in cases where existing work project authorization is available for the same expenditures. Revises to add "to the extent possible by the department".

Sec. 253. Information Technology Investment Board/Agile Software Development Plan – REVISED

Requires establishment of an information technology investment board within DHHS, provides guidance and policy for establishing management practices, and requires reports. Revises to require DHHS to implement an agile software development plan funded with a time and materials contract, and to establish the state or the public domain as the software owner. Software design shall be user centered. Requires report at commencement of project, and updates to the legislature upon request. Includes definitions of terms.

Sec. 257. Revise Education Modules Regarding Suicide and Depression Prevention – DELETED

Directs DHHS, if funds are available, to collaboratively revise education health modules to include age-appropriate and medically accurate information about depression and suicide and protective factors to prevent suicide.

Sec. 258. Education Initiatives Regarding Trauma, Human Trafficking, and Sexual Abuse Prevention – NEW

Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention.

Sec. 281. Certification of Destruction of Information from Canceled Contract – NEW

Requires DHHS by November 1 to provide certifications and affidavits of destruction of data related to an April 2020 contract with Great Lakes Community Engagement for coronavirus pandemic contact tracing, now canceled. Establishes that all Sec. 102 departmental administration appropriations are contingent on compliance with this section.

HEALTH AND HUMAN SERVICES

Boilerplate Changes From FY 2019-20

Sec. 293. Savings from Behavioral Health Integration Pilot Projects – DELETED

Requires that any savings from pilots to integrate Medicaid behavioral health and Medicaid physical health services systems shall only be used for reinvestment in the pilot sites where savings occurred; authorizes shared savings between a PIHP or CMHSP and a Medicaid health plan shall be carried forward for expenditures in future years.

Sec. 294. Integrated Service Demonstration Pilot – DELETED

Allows DHHS to work with PIHPs and CMHSPs to pilot a physical and behavioral health integrated service demonstration model for 2 years that does not transfer funds to Medicaid health plans; requires pilot to expand on existing integrated efforts and include shared care coordination; requires pilot to increase number of individuals who meet criteria for expanded care coordination; states outcomes and performance measures; requires a report following completion of pilot.

DEPARTMENTAL ADMINISTRATION AND MANAGEMENT

Sec. 309. Health Literacy Pilot – NEW

Requires department to design and implement a web-based intensive information therapy within Medicaid managed care in order to mitigate deficiencies in health literacy through connections between health care providers, beneficiaries and health plans.

COMMUNITY SERVICES AND OUTREACH

Sec. 462. Trauma Recovery Center Pilots – NEW

Requires that if federal funding from Crime Victim Justice Assistance Grants becomes available, four trauma recovery center program pilot projects shall be funded; requires report.

CHILDREN'S SERVICES - CHILD WELFARE

Sec. 506. Juvenile Justice Data Report – NEW

Requires a report containing juvenile justice data from Wayne County, including the number of youth referred for care or supervision and type of setting for referred youth.

Sec. 514. Child Protective Services (CPS) Report – REVISED

Requires report on CPS; lists specific information and statistics to be included in the report. Revised by including new subsection (d) requiring report to include statistical information on effectiveness of the Category III open/close policy.

Sec. 532. Licensing and Contract Compliance Review – DELETED

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes; requires report.

Sec. 592. Child Protective Services Data – NEW

Requires DHHS to provide quarterly reports that include certain CPS data from the most recent 30-day period.

Sec. 593. County Child Abuse and Child Neglect Investigation and Interview Protocols – NEW

Requires DHHS to conduct an annual review in each county of whether the standard child abuse and child neglect investigation and interview protocols required by the Child Protection Law have been adopted; requires report.

JUVENILE JUSTICE

Sec. 710. Juvenile Justice Diversion Programs – NEW

Requires DHHS to create a workgroup on the use of juvenile justice diversion programs; requires report.

PUBLIC ASSISTANCE

Sec. 613. Indigent Burial Grants – REVISED

Provides for state emergency relief grants for indigent burials and the schedule of grant amounts. Revised to increase each payment classification by \$40.00.

Boilerplate Changes From FY 2019-20

Sec. 619. Title IV-A and Food Assistance Exemption – REVISED

Exempts individuals convicted of a single drug felony after August 22, 1996 from the federal prohibition on receiving TANF and food assistance benefits; requires FIP benefits to be paid in restricted payments, or through a protective payee if possible, if the individual is the head of household; prohibits individuals convicted of 2 or more separate drug felonies from receiving assistance, subject to federal approval of this additional condition; and requires that FIP benefits be paid to the grantee if the grantee was not the individual with the conviction. Revises to remove the prohibition on individuals convicted of 2 or more separate drug felonies from receiving assistance.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 801. Food Assistance Program Error Rate – NEW

Requires the department to report monthly to the Legislature on the active case FAP payment error rate as provided to the U.S. Department of Agriculture – Food and Nutrition Services; requires the department to report to the Legislature by March 1 on the corrective actions taken to mitigate FAP payment error rates and prevent federal penalties.

Sec. 825. Vehicle Repair Grants – REVISED

Prohibits the department from providing employment and training support services grants for vehicle repairs to not more than \$500 to an individual in a 1-year period; allows to the department the discretion to provide grants of up to \$900 in certain circumstances. Revises to require the department to report to the Legislature by November 30 on the total number of repairs; total repairs over \$500; total repairs costing exactly \$500; and total repairs costing exactly \$900 in the previous fiscal year.

BEHAVIORAL HEALTH SERVICES

Sec. 924. Autism Services Fee Schedule – REVISED

Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not more than \$55.00 per hour. Revises to also prohibit behavioral technician fee schedule to not be less than \$50.00 per hour.

Sec. 927. Behavior Health Service Provider Audits – REVISED

Requires DHHS to determine the steps necessary to allow behavioral health service providers that operate in multiple counties to utilize a single audit rather than multiple audits, requires report. Revises to require DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report.

Sec. 960. Autism Services Cost Containment – REVISED

Requires DHHS to continue to cover all autism services that were covered on January 1, 2019; to restrain costs required DHHS to develop written guidance for standardization; and permits DHHS to require 6-month consultation if costs are above a monthly threshold, limits practitioners who can perform a diagnostic evaluation; provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report. Revises to require 3-year reevaluations, unless a clinician recommended an earlier reevaluation, requires evaluations performed by a master's level practitioner to be reviewed by a second practitioner, and require maintenance of statewide provider trainings.

Sec. 964. Behavioral Health Fee Schedule – REVISED

Requires DHHS to develop and implement a standardized fee schedule for Medicaid behavioral health services by January 1, and to develop and implement adequacy standards for all contracts with PIHPs and CMHSPs. Revises date to July 1 and requires development of fee schedule to prioritize and support essential service providers and to include a fee schedule for psychiatric intensive care (revenue code 0204).

Sec. 972. Michigan Crisis and Access Line (MiCAL) – REVISED

Allocates \$2.0 million for the development, operation, and maintenance of a hotline consistent with section 165 of the Mental Health Code, MCL 330.1165. Revises to allocate up to \$1.5 million and requires the psychiatric bed registry to be integrated into MiCAL.

Sec. 974. Intellectual or Developmental Disability Service Delivery – REVISED

Allows an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to choose to instead receive supports and services from another provider. Revises to require instead of allow.

HEALTH AND HUMAN SERVICES

Boilerplate Changes From FY 2019-20

Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – DELETED

Requires DHHS to seek, if necessary, a federal waiver to allow 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; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law to not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.”

Sec. 1006. Intellectual or Developmental Disability Health Homes – NEW

Requires DHHS to explore implementing Medicaid health homes for individuals with intellectual or developmental disabilities, and requires a report.

Sec. 1007. Standalone Intellectual or Developmental Disability Medicaid Delivery System – NEW

Requires DHHS to explore the feasibility of implementing a standalone Medicaid delivery system for individuals with intellectual or developmental disabilities, and requires a report.

Sec. 1011. Out-of-State Crisis Resolution and Outpatient Services – NEW

Allows a CMHSP to reimburse out-of-state providers of crisis resolution and outpatient services if the out-of-state provider is enrolled as a state Medicaid provider and the out-of-state provider is located closer to the client's home than an in-state provider.

Sec. 1013. Transportation to Preadmission Screening Units – NEW

Allows a CMHSP to permit a sheriff's office to use a qualified contracted entity to transport an individual for preadmission screening.

POPULATION HEALTH

Sec. 1144. State Innovation Model Federal Grant and CHIR Reporting – REVISED

Guidance for allocation of federal state innovation model grant, outcomes, performance measures, aggregated claims data, and reports. Strikes current language and revises to require DHHS to report trended cost and utilization claims data by Medicaid health plan and by community health innovation region (CHIR) from FY 2014-15 to date.

Sec. 1150. Opioid Fraud Collaboration – DELETED

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 drug and opioid abuse issues; requires a report.

Sec. 4350. 1183. Emergency Medical Services Data Exemption – REVISED

Prohibits DHHS from requiring a life support agency that does not charge for services to submit data to the Michigan emergency medical services information system or any other quality improvement program. Revises to limit the exemption from data submittal to medical first response services located in counties with less than 85,000 population, and outlines written reporting required by medical first responders to others arriving at a site of emergency services in those counties.

Sec. 1184. Emergency Medical Services - Process for Change in Guidance – NEW

Requires DHHS to review its process for consideration and implementation of changes proposed for EMS guidance or protocols; states improvements to be included; requires public website weekly updates of proposed changes including any proposed administrative rule changes, and requires a report.

Sec. 1319. Oral Health Screening and Assessment for School Children – NEW

States legislative intent that DHHS develop an oral health screening and assessment program for children entering school, and pursue alternative funding sources to aid in financing the program.

Sec. 1322. State Immunization Policy and Practices Report – NEW

Requires DHHS to report to the legislature on state immunization policy and practices including a list of recommended vaccinations, and basis, rationale, and improvement in human health documented for each listed vaccination.

Sec. 1340. National Brand Food Options as Approved WIC Food Items – DELETED

Requires the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC) to include national brand options for all food categories on the list of approved food basket items for WIC participant purchase.

Boilerplate Changes From FY 2019-20

MEDICAL SERVICES

Sec. 1501. *Electronic Health Records Incentive Program* – REVISED

Establishes unexpended funds for the electronic health records incentive program as a work project appropriation with the tentative completion date to be September 30, 2025. Revised to include intent that dental providers be included in the incentive program.

Sec. 1502. *Nursing Facility Cost Report Policies* – DELETED

Requires DHHS to use prospective effective dates if DHHS issues new policies affecting nursing facility cost reports, and allows a retroactive date if required by state law, federal law, or judicial ruling. Deleted.

Sec. 1512. *Medicaid Utilization Report* – NEW

Requires the department to update the Medicaid utilization and net cost report to separate nonclinical administrative costs from actual claims and encounters.

Sec. 1513. *Medicaid Inpatient Psychiatric Hospital Workgroup* – REVISED

Requires DHHS to create a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care, list participating workgroup members, require a report from the workgroup. Revises to include workgroup recommendations being implemented as well as not implemented with identified implementation barriers.

Sec. 1615. *Encounter Claims Data Integrity* – NEW

Requires the department to provide oversight of Medicaid claims encounter data to insure the integrity of actuarial rates; allows the department to request certain information from Medicaid health plans; and provides for the intent that the department conduct annual audits of Medicaid claims and provide for remedial actions to mitigate errors in actuarial rates.

Sec. 1625. *Medicaid Managed Care Pharmacy Benefits Managers* – REVISED

Prohibits DHHS, beginning February 1, 2020, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: 1) utilize a pharmacy reimbursement methodology of the National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees for pharmacies with not more than 7 retail outlets (and lists reimbursements when an ingredient does not have a National Average Drug Acquisition Cost listed); 2) reimburse for valid claims at the rate in effect at the time of original claim; 3) agree to transparent “pass-through” pricing, 4) agree to not create new fees or increase fees above inflation, and 5) agree to not terminate existing contracts for the sole reason of the additional professional dispensing fee. Revises to update beginning date to February 1, 2021.

Sec. 1626. *Pharmacy Benefits Manager Reimbursements Report* – NEW

Requires all pharmacy benefits managers that receive reimbursements from Medicaid health plans to report to the department on total prescriptions dispensed; wholesale acquisition cost of each drug in the state formulary; aggregate rebates, discounts, and concessions; aggregate administrative fees; aggregate amounts that did not pass through Medicaid health plans; aggregate reimbursements paid to contracting pharmacies; requires the department to report the consolidated information to the Legislature by March 1; and requires non-aggregate information provided to the department to remain confidential.

Sec. 1793. *Medicaid Overpayment Standard of Promptness* – DELETED

Prohibits DHHS from recovering an overpayment if DHHS notifies the provider more than 180 days after receipt of the overpayment. Deleted.

Sec. 1803. *Portable X-Ray and Ultrasound Provider Type* – REVISED

Requires DHHS to establish Medicaid rules to allow for billing and reimbursement for transportation charges related to portable x-ray services and requires policies be effective October 1 of the current fiscal year. Revises to require the department to set payment rates for portable X-ray services by October 1.

Sec. 1805. *Graduate Medical Education Quality Data* – DELETED

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, requires hospitals to also post quality data on the hospital's website, and requires DHHS to withhold 25% of a hospital's GME payment if data is not submitted by January 1. Deleted.

HEALTH AND HUMAN SERVICES

Boilerplate Changes From FY 2019-20

Sec. 1870. MiDOCS Consortium – REVISED

Appropriates \$3.75 million GF/GP and any restricted and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities, lists qualifying specialties; requires DHHS to seek any necessary federal CMS approvals; requires medical education loan repayments be contingent on 2-year commitment to practice in an underserved community post-residency; requires MiDocs to work with DHHS to, when possible, prioritize training opportunities in state psychiatric hospitals and CMHSPs; reserves at least 3 slots for the Michigan early primary care incentive program; reports report; creates an advisory council; establishes outcome and performance measures; and designates unexpended funds as work project appropriation. Revises to increase GF/GP appropriation from \$3.75 million to \$5.1 million; creates an exception for child and adolescent psychiatry fellowships; allow for local match from accredited organizations; allow for administration at the local-level for areas impacted by COVID-19 and a for a focus on psychiatric and child and maternal health disparities; and provide for the legislative intent of creating 5 additional slots for underserved areas.

Sec. 1875. Prior Authorization for Certain Drugs – REVISED

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications, drugs for the treatment of HIV or AIDS, epilepsy/seizure disorder, or drugs for organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016, defines “prior authorization”. Revises to require the department to explore the inclusion of drugs to treat Duchenne Muscular Dystrophy.

Sec. 1876. Common Formulary – NEW

Requires DHHS to include the corticosteroid deflazacort on the Medicaid health plan common formulary.

Sec. 1879. Single Preferred Drug List – NEW

Requires DHHS to maintain a standard preferred drug list for Medicaid manage care, requires any changes in the preferred drug list to made in consultation with the Medicaid managed care organizations and the Pharmacy and Therapeutics Committee. Requires a report.

Sec. 1880. Single Preferred Drug List Report and Rate Setting – NEW

Requires DHHS to submit a report on estimated and actual expenditures and savings incurred from the single preferred drug list, requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus.

Sec. 1881. Risk Corridor Financial Reconciliation – NEW

Identifies savings assumptions from the 2-way risk corridor for Medicaid managed care organizations, requires a report and requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus, and states intent that a 2-way risk corridor will not be in effect next fiscal year.

INFORMATION TECHNOLOGY

Sec. 1909. Information Technology Spending Restrictions – REVISED

Restricts the department from expending funds appropriated for major information technology programs on any other program or project and requires a legislative transfer of appropriations from the Information Technology Contingency and One-Time Information Technology Contingency line items to another line item before those funds may be expended. Revises to remove Information Technology Contingency restrictions; and provides for the requirements on replacing MiSACWIS with the new CCWIS information technology system, and requires the department to use the agile development methodology of IT development and comply with the Enterprise Portfolio Management Office process and quality assurance.

FY 2019-20 Supplemental Appropriation Items
Article 14, House Bill 5396 (S-1) CR-1

1. Child Welfare Caseload Adjustments

Includes an increase of \$4.1 million Gross (reduction of \$7.2 million GF/GP) for child welfare caseload adjustments as part of the August Consensus Revenue Estimating Conference. Amount includes \$10.8 million GF/GP savings from 3 quarters of a 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act.

**Appropriation
Change**

Gross	\$4,130,700
Federal	10,859,500
TANF	434,200
GF/GP	(\$7,163,000)

FY 2019-20 Supplemental Appropriation Items
Article 14, House Bill 5396 (S-1) CR-1

	Appropriation Change
2. Public Assistance Caseload Adjustments	Gross (\$7,400,700)
Includes a reduction of a \$7.4 million Gross (\$6.8 million GF/GP) for public assistance caseload adjustments as part of the August Consensus Revenue Estimating Conference. Amount includes \$600,000 GF/GP to offset a like amount of restricted state supplemental security income recoveries based on projected collections.	Restricted (600,000) GF/GP (\$6,800,700)
3. Food Assistance Program Reinvestment	Gross \$10,466,000
Includes \$10.5 million GF/GP to support both penalty payments to the federal government and a federally-required corrective action plan. Penalties are related to higher than national average error rates in FAP over/under payments.	GF/GP \$10,466,000
4. Traditional Medicaid and Healthy Michigan Plan Cost Adjustments	Gross \$316,554,500
Includes an increase of \$316.6 million Gross (reduction of \$69.8 million GF/GP) based on caseload and utilization adjustments for the Medicaid program as part of the August Consensus Revenue Estimating Conference.	Federal 438,618,100 Local (11,350,500) Restricted (40,936,300) GF/GP (\$69,776,800)
5. Medicaid Restricted Revenues	Gross \$0
Includes \$41.7 million GF/GP to offset restricted revenues that are projected to come in below appropriations. Restricted revenue shortfalls include Medicaid Benefits Trust Fund and Healthy Michigan Fund, which receive a portion of state tobacco taxes.	Restricted (41,745,300) GF/GP \$41,745,300

FY 2019-20 Supplemental Boilerplate Items
Article 14, House Bill 5396 (S-1) CR-1

Sec. 451. Coronavirus Relief Fund Appropriation Reduction

Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by \$8.0 million.

Sec. 452. Coronavirus Relief Fund Appropriation Reduction

Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for additional future response activities, by \$40.0 million.