

**Summary: Executive Budget Recommendation
for Fiscal Years 2012-13 and 2013-14
COMMUNITY HEALTH**



Analysts: Margaret Alston, Susan Frey, Steve Stauff

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	\$7,241,200	\$10,023,800	\$2,782,600	38.4	\$10,004,100	(\$19,700)	(0.2)
Federal	9,274,293,000	9,740,485,300	466,192,300	5.0	9,974,147,200	233,661,900	2.4
Local	257,851,000	257,280,100	(570,900)	(0.2)	257,129,700	(150,400)	(0.1)
Private	96,499,200	93,264,000	(3,235,200)	(3.4)	93,263,200	(800)	0.0
Restricted	2,031,475,500	2,146,562,200	115,086,700	5.7	2,132,264,300	(14,297,900)	(0.7)
GF/GP	2,975,227,400	2,847,864,700	(127,362,700)	(4.3)	2,994,360,700	146,496,000	5.1
Gross	\$14,642,587,300	\$15,095,480,100	\$452,892,800	3.1	\$15,461,169,200	\$365,689,100	2.4
FTEs	3,640.2	3,613.9	(26.3)	(0.7)	3,613.9	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as "one-time." (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations. (4) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

Overview

The Department of Community Health budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

Executive Part 1 Appropriations: The Executive proposes to roll-up the budget into 8 appropriation line items, a reduction from 131 line items in the current year budget.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	FY 2011-12 YTD (as of 2/9/12)	Executive Changes		
		FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14	
1. Economic Adjustments	Gross	N/A	\$18,595,400	\$11,000,100
Includes a net increase of \$18.6 million Gross (\$7.2 million GF/GP) to finance negotiated salary and wage increases, actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and economic adjustments for worker's compensation, building occupancy and rent, food, and gas, fuel, and utility costs for FY 2012-13. Includes FY 2013-14 active and retiree insurance and pension adjustment of \$11.0 million Gross (\$6.7 million GF/GP).	IDG	N/A	(54,500)	0
	Federal	N/A	3,933,200	3,228,200
	Restricted	N/A	325,500	1,076,000
	Local	N/A	7,183,800	0
	Private	N/A	(600)	0
	GF/GP	N/A	\$7,208,000	\$6,695,900
2. FY 2011-12 Contingency Plan Savings	FTE	N/A	(88.3)	0.0
Recognizes FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which is achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.	Gross	N/A	(\$12,176,400)	\$0
	Federal	N/A	(3,034,400)	0
	Restricted	N/A	(304,600)	0
	Local	N/A	(2,776,500)	0
	GF/GP	N/A	(\$6,060,900)	\$0

Executive Changes

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
3. FY 2012-13 State Employees One-Time Lump Sum Payments	Gross	N/A	\$4,285,300	(\$4,285,300)
Authorizes one-time only allocation of \$4.3 million Gross (\$2.6 million GF/GP) through boilerplate language (Section 4-1901) for negotiated one-time lump sum payments to state employees.	IDG	N/A	19,700	(19,700)
	Federal	N/A	1,279,400	(1,279,400)
	Restricted	N/A	263,500	(263,500)
	Local	N/A	150,400	(150,400)
	Private	N/A	800	(800)
	GF/GP	N/A	\$2,571,500	(\$2,571,500)
4. Community Health Automated Medicaid Processing System (CHAMPS) Funding	Gross	\$25,723,700	\$44,477,400	(\$40,000,000)
Adds full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS which is offset by savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system. Also, authorizes FY 2012-13 one-time allocation of \$40.0 million Gross (\$4.0 million GF/GP) through boilerplate language (Section 4-1901) for CHAMPS to implement medical codes for diagnosis and inpatient procedures (ICD 10) as required by federal law.	Federal	22,889,000	35,732,000	(36,000,000)
	GF/GP	\$2,834,700	\$8,745,400	(\$4,000,000)
5. Family Support Subsidy Program	Gross	\$19,470,500	(\$309,500)	\$0
Removes excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.	Federal	19,470,500	(309,500)	0
	GF/GP	\$0	\$0	\$0
6. Actuarially Sound Capitation Payment Rates Adjustment	Gross	\$6,490,537,900	\$75,148,000	\$0
Includes a capitation rate increase of 1.5% for Health Plans and 1.25% for Prepaid Inpatient Health Plans (PIHPs) to ensure that payment rates for these managed care entities are actuarially sound in FY 2012-13. This adjustment results in an additional \$75.1 million Gross (\$25.3 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.	Federal	4,293,335,900	49,890,800	0
	Restricted	1,159,708,900	0	0
	Local	38,931,800	0	0
	GF/GP	\$998,561,300	\$25,257,200	\$0
7. Mental Health Services for Special Populations	Gross	\$8,842,800	(\$3,000,000)	\$0
Does not continue the FY 2011-12 one-time allocation of \$3.0 million GF/GP provided for in Section 1901 of PA 63 of 2011, Article IV for mental health services for special populations. The one-time funding is allocated as follows: \$250,000 for Hispanic/Latino Commission within the Department of Civil Rights; \$700,000 for ACCESS; \$700,000 for Arab/Chaldean; \$650,000 for Chaldean Chamber Foundation; and \$700,000 for Michigan Jewish Federation.	GF/GP	\$8,842,800	(\$3,000,000)	\$0
8. Children with Serious Emotional Disturbance Waiver	Gross	\$8,188,000	\$4,463,000	\$0
Increases funding for the Children with Serious Emotional Disturbance Program by \$4.5 million Gross (\$0 GF/GP), enabling the Department to serve additional children eligible for the federal waiver program in which community mental health services programs (CMHSPs) provide home and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services for up to 357 children.	IDG	2,769,000	500,000	0
	Federal	5,419,000	3,963,000	0
	GF/GP	\$0	\$0	\$0

Executive Changes

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
9. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry	Gross	\$257,696,200	\$793,300	\$0
Includes 5.0% inflationary adjustment for pharmacy costs at state-operated psychiatric hospitals and the Center for Forensic Psychiatry which equates to an increase of \$793,300 Gross (\$401,300 GF/GP) in funding for these facilities.	Federal	29,426,200	39,500	0
	Restricted	15,240,900	23,700	0
	Local	17,494,500	328,800	0
	GF/GP	\$195,534,600	\$401,300	\$0
10. Healthy Michigan Fund, and Wellness Initiatives	Gross	\$37,175,900	\$3,146,600	(\$5,000,000)
-Healthy Michigan Fund (HMF) - Reduces from \$34.2 to \$31.8 million to reflect decline in tobacco tax revenue to the Fund:	Restricted	34,175,900	(2,355,900)	(1,000,000)
<ul style="list-style-type: none"> Increases prevention project appropriations to \$5.1 million. Reduces Medicaid appropriation by \$2.5 million to \$26.7 million, replacing with \$2.5 million GF/GP Renames HMF Program line item to Health and Wellness Initiatives FY 2013-14 appropriation for Medicaid is reduced by \$1.0 million to reflect continued revenue decline to Fund, replacing with GF/GP 	GF/GP	\$3,000,000	\$5,502,500	(\$4,000,000)
-New Wellness 4x4 Initiative - Adds \$1.0 million GF/GP to the renamed line item for a new community-based collaborative public health program to address obesity, focusing on 4 healthy behaviors and 4 key health measures				
-One-Time Basis Only Boilerplate Funding - Increases from \$3.0 to \$5.0 million (Sec. 4-1901):				
<ul style="list-style-type: none"> Continues boilerplate one-time basis only funding of \$3.0 million for Healthy Michigan Fund Program line item prevention projects under the new line item name Provides additional boilerplate one-time basis only funding: \$1.25 million for the Wellness 4x4 Initiative and \$750,000 for maternal and child health/infant mortality, under the new line item name 				
11. Primary Care Services	Gross	\$3,195,900	\$30,200	\$0
Does not continue one-time basis boilerplate funding of \$300,000 GF/GP for island health clinics in Sec. 1901. Restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital supporting primary care services, increasing the hospital's primary care DSH payment to FY 2010-11 funded level.	Federal	1,870,300	219,200	0
	GF/GP	\$1,325,600	(\$189,000)	\$0
12. Laboratory Services One-Time Equipment Funding	Gross	\$17,804,700	\$200,000	(\$200,000)
Provides new boilerplate one-time basis only appropriation of \$200,000 for replacement of outdated laboratory equipment and supplies (Sec. 4-1901) in FY 2012-13.	IDG	530,700	0	0
	Federal	2,183,400	0	0
	Restricted	8,397,900	0	0
	GF/GP	\$6,692,700	\$200,000	(\$200,000)
13. Bioterrorism Preparedness	Gross	\$49,286,900	(\$14,519,100)	\$0
Reflects decline in funding from two federal grants for public health and hospital preparedness and response for bioterrorism with a reduction of \$14.5 million.	Federal	49,286,900	(\$14,519,100)	0
	GF/GP	\$0	\$0	\$0
14. Maternal and Infant Home Visiting Program	Gross	\$2,200,000	\$2,107,200	\$0
Recognizes \$2.1 million increased funds from the Maternal, Infant and Early Childhood Home Visiting federal program grant authorized under the Patient Protection and Affordable Care Act.	Federal	2,200,000	2,107,200	0
	GF/GP	\$0	\$0	\$0
15. Crime Victim Services	Gross	\$37,554,100	\$600,000	\$0
Recognizes \$600,000 new federal grant funds for enhancement of the Michigan VINE crime victim information and notification network system providing offender custody status and related court event information to victims of crime.	Federal	23,489,700	600,000	0
	Restricted	14,064,400	0	0
	GF/GP	\$0	\$0	\$0

Executive Changes

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
16. Aging Services to Support Community Living	Gross \$42,015,300	\$1,100,000	(\$250,000)
Increases funding for senior community services, including \$500,000 to expand community living options counseling, \$100,000 to expand elder abuse prevention programs, and \$250,000 for community support for persons providing care for family members with Alzheimer's Disease or dementia. Also includes new boilerplate one-time basis only funding of \$250,000 GF/GP for aging elder abuse prevention programs in FY 2012-13 (Sec. 4-1901). (Totals shown include affected Office of Services to Aging Administration and Community Services line items)	Federal 27,191,600	0	0
	Private 377,500	0	0
	GF/GP \$14,446,200	\$1,100,000	(\$250,000)
17. Cochlear Implant Policy Change	Gross \$0	\$560,000	\$0
Increases the Department's budget by \$560,000 Gross (\$188,900 GF/GP) reflecting annualized FY 2011-12 costs due to a change in State Medicaid policy including cochlear implants for both ears rather than just one ear. The appropriation lines affected are Medical Care and Treatment, Physician Services and Auxiliary Medical Services.	Federal 0	371,100	0
	GF/GP \$0	\$188,900	\$0
18. Electronic Health Records Incentive Program	FTEs 0.0	24.0	0.0
Increases the relatively new Electronic Health Records Incentive Program line by \$24.7 million Gross (reduces GF/GP \$60,800) and makes a technical adjustment by incorporating 24.0 FTEs. The FY 2011-12 base authorization of \$119.4 million Gross included funding for administration for the program but no FTEs. All of the FY 2012-13 authorization is for electronic health record (EHR) incentive payments. The Department of Community Health will provide incentive payments to eligible professionals, eligible hospitals and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. An EHR is an electronic record of patient health information generated by one or more encounters in any care delivery setting.	Gross \$119,388,800	\$24,692,600	\$0
	Federal 117,989,900	24,753,400	0
	GF/GP \$1,398,900	(\$60,800)	\$0
19. Medicaid Cost Increases	Gross \$11,763,656,400	\$115,299,300	\$379,424,300
Includes an increase for FY 2012-13 of \$263.3 million Gross (\$93.2 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. Also recognizes an anticipated FY 2011-12 Medicaid caseload, utilization and inflation adjustment, which is included as a FY 2012-13 base reduction, reducing various Medicaid appropriation lines by \$148.0 million Gross (\$47.5 million GF/GP). The increase for FY 2013-14 Medicaid caseload, utilization and inflation is projected to be \$379.4 million Gross (\$128.3 million GF/GP).	Federal 7,832,698,100	69,490,500	251,115,600
	Local 52,469,400	0	0
	Private 2,100,000	0	0
	Merit Awd 82,275,800	0	0
	Restricted 1,865,496,800	0	0
	GF/GP \$1,928,616,300	\$45,808,800	\$128,308,700
20. Dual Eligibles to Managed Care	Gross N/A	\$0	\$0
Shifting individuals who are eligible for both Medicare and Medicaid (dual eligibles) from fee-for-service to an integrated managed care system was anticipated to generate savings in the amount of \$40.8 million Gross (\$13.7 million GF/GP) in FY 2011-12 given a start date of April 1, 2012. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation with a program start date of April 1, 2013. There is no net change from FY 2011-12 to FY 2012-13.	Federal N/A	0	0
	GF/GP N/A	\$0	\$0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>Executive Changes</u>			
		<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>FY 2011-12 to FY 2012-13</u>	<u>FY 2012-13 to FY 2013-14</u>
21. Graduate Medical Education	Gross	\$153,465,900	(\$17,129,400)	\$0
Continues the reduction of \$31.8 million Gross made to the Graduate Medical Education (GME) program in FY 2011-12, but does not continue the FY 2011-12 Sec. 1901 "one-time basis only" funding for GME of \$17.1 million Gross. The program would be funded in the FY 2012-13 Executive Recommendation at approximately \$136.3 million.	Federal	101,502,300	(11,329,400)	0
	GF/GP	\$51,963,600	(\$5,800,000)	\$0
22. Primary Care Physician Rate Increase	Gross	N/A	\$281,800,000	\$0
Recognizes an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practitioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.	Federal	N/A	281,800,000	0
	GF/GP	N/A	\$0	\$0
23. Include Behavioral Health Drugs On Preferred Drug List	Gross	\$338,717,500	\$0	\$0
Savings of \$18.7 million gross (\$6.3 million GF/GP) were removed from the Pharmaceutical Services line in FY 2011-12 as a result of including behavioral health drugs on the preferred drug list. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation. There is no net change from FY 2011-12 to FY 2012-13. A statutory change would be required to realize these savings.	Federal	222,861,200	0	0
	GF/GP	\$115,856,300	\$0	\$0
24. Healthy Kids Dental Expansion	Gross	N/A	\$25,000,000	\$25,000,000
Includes the first one-quarter of a 4 year plan to phase-in statewide coverage for the Healthy Kids Dental program by increasing the budget \$25.0 million Gross (\$8.4 million GF/GP). The expansion would include, but is not limited to, parts of several large urban counties including Kent, Oakland, Macomb and Wayne. Areas with the greatest dental service need would be the highest priority for program expansion.	Federal	N/A	16,597,500	16,597,500
	GF/GP	N/A	\$8,402,500	\$8,402,500
25. Airport Parking Tax Deposit to MBTF	Gross	\$105,877,700	\$0	\$0
Replaces \$6.7 million of funding received from Wayne County for support of the Medicaid Adult Benefits Waiver program with a like amount of revenue from the Medicaid Benefits Trust Fund (MBTF). For many years Wayne County has provided the Department Wayne's portion of the Airport Parking Tax which the Department uses for support of the Medicaid Adult Benefits Waiver program. This change would eliminate the Airport Parking fee payment to Wayne County and the subsequent payment back to the State of Michigan by simply directing Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund. Legislation would be necessary to make this adjustment and is anticipated in FY 2011-12.	Federal	70,027,300	0	0
	Local	6,653,800	(6,653,800)	0
	Restricted	6,100,000	6,653,800	0
	GF/GP	\$23,096,600	\$0	\$0
26. Medicaid Estate Recovery Program	Gross	\$1,686,454,600	\$0	\$0
Savings of \$16.6 million Gross (\$5.6 million GF/GP) were removed from the Long-Term Care Services line in FY 2011-12 representing savings generated by strengthening statutory changes to the existing Medicaid long-term care estate recovery law. The FY 2011-12 savings apparently will not be realized and are once again included in the FY 2012-13 Executive Recommendation. There is no net change from FY 2011-12 to FY 2012-13.	Federal	1,133,338,700	0	0
	Merit Awd	82,275,800	0	0
	Restricted	256,925,600	0	0
	Local	6,618,800	0	0
	GF/GP	\$207,295,700	\$0	\$0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
27. MIChoice Program Adjustments	Gross	\$229,921,000	\$7,500,000	\$0
Increases the Medicaid Home- and Community-Based Services Waiver line by \$14.1 million Gross (\$4.8 million GF/GP) to recognize additional transitions from nursing homes and the reduction in the waiting list for the MIChoice program. The Long-Term Care Services line is reduced \$6.6 million Gross (\$1.5 million GF/GP) recognizing savings and transition costs.	Federal	146,177,400	4,143,300	0
	Local	265,000	0	0
	Private	2,100,000	0	0
	GF/GP	\$81,378,600	\$3,356,700	\$0
28. PACE Program Adjustments	Gross	\$30,707,800	\$0	\$0
Increases the Program for All-Inclusive Care for the Elderly (PACE) line item by \$4.1 million Gross (\$1.4 million GF/GP) bringing the existing PACE programs up to capacity(\$2.5 million) and adding a Berrien County PACE program (\$1.6 million). Both actions are funded by a reduction to the Long-Term Care Services line in the amount of the PACE increases.	Federal	20,310,200	0	0
	GF/GP	\$10,397,600	\$0	\$0
29. Autism Spectrum Disorder Coverage	Gross	\$0	\$34,061,200	\$0
Increases the Department's budget by \$34.1 million Gross (\$10.1 million GF/GP) to fund autism spectrum disorder treatment for an estimated 2,000 Medicaid and MIChild eligible children under the age of six. Creates a new line "Autism Services" authorized at \$20.5 million Gross (\$6.9 million GF/GP) and adds funding to the MIChild line of \$13.5 Gross (\$3.2 million GF/GP). In anticipation of the possibility of a private insurance coverage mandate for autism, \$15.0 million GF/GP is included in the available balance on the FY 2012-13 State balance sheet for potential insurer costs.	Federal	0	23,978,200	0
	GF/GP	\$0	\$10,083,000	\$0
30. Use Tax Adjustment	Gross	\$201,057,300	(\$201,057,300)	\$0
Reverses the FY 2011-12 supplemental PA 278 of 2011 that provided use tax (GF/GP) funding, which corrected authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).	Federal	132,979,300	(132,979,300)	0
	Restricted	(99,214,200)	99,214,200	0
	GF/GP	\$167,292,200	(\$167,292,200)	\$0
31. School-Based Services	Gross	\$91,296,500	\$40,206,200	\$0
Increases the School-Based Services line by \$40.2 million federal funding representing Michigan school district's 60% portion of the federal Medicaid funds earned by the school district match. The other 40% of federal funding (\$26.8 million) is retained by the State and is used to offset GF/GP in the Medicare Premium Payments line.	Federal	152,160,800	67,010,300	0
	GF/GP	(\$60,864,300)	(\$26,804,100)	\$0

Major Boilerplate Changes From FY 2011-12

NOTE: No boilerplate language proposed specific to FY 2013-14.

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2011-12 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted. For the Department of Community Health, the Executive deletes 97 of 146 boilerplate sections.

GENERAL SECTIONS

Sec. 213. Report on Tobacco and Healthy Michigan Funds – DELETED

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds by April 1, 2012, to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director.

Major Boilerplate Changes From FY 2011-12

Sec. 287. General Fund/General Purpose Lapses - DELETED

Requires DCH to report on the estimated general fund/general purpose appropriations lapses at the close of the previous fiscal year by no later than November 15, 2011.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Comprehensive System of CMH Services - DELETED

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or PIHPs. Requires that DCH ensure each CMHSP or PIHP provides a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code, 1974 PA 258, MCL 330.1001 to 330.2106.

Sec. 404. Report on CMHSPs - DELETED

Requires DCH to report by May 31, 2012, on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during FY 2010-11, information on the CMH Medicaid managed care program, performance indicator information required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers.

Sec. 406. Appropriation for State Disability Assistance Substance Abuse Services Program - DELETED

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

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

Requires DCH to report by April 1, 2012, on expenditures and services data on substance abuse prevention, education, and treatment programs for FY 2010-11.

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

Requires DCH to report on the amount of funding paid to PIHPs to support the Medicaid managed mental health program in the preceding month including total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, number of cases in each eligibility group, and year-to-date summary of eligibles and expenditures.

Sec. 492. Mental Health Services to County Jail Inmates - DELETED

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 608. Privatization of Food and Custodial Services - DELETED

Allows DCH, in consultation with the Department of Technology, Management and Budget, to maintain a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at any state hospital identified by DCH as capable of generating savings through the outsourcing of those services.

HEALTH POLICY

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

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

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1004. Cancer Rate Investigations - DELETED

Establishes legislative intent that DCH continue to collaborate with St. Clair County and the City of Detroit's southwest community to investigate and evaluate cancer rates.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report - DELETED

Requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are self-reported by individuals utilizing those services.

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

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

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding - REVISED

Revises language to also prohibit family planning local agreements line item funds from being used for abortion counseling, referrals, or services; current language includes pregnancy prevention program appropriation line item funds.

Major Boilerplate Changes From FY 2011-12

Sec. 1109. Volunteer Dental Services Program for the Uninsured - REVISED

Eliminates language requiring annual report on services provided in the prior fiscal year by the volunteer program of dental services to the uninsured.

Sec. 1135. School Health Education Curriculum - DELETED

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

CRIME VICTIM SERVICES COMMISSION

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

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

OFFICE OF SERVICES TO THE AGING

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

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

Sec. 1403. Home-Delivered Meals Waiting Lists - DELETED

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

MEDICAL SERVICES ADMINISTRATION - NEW

Sec. 1501. Electronic Health Records Incentive Program Work Project - NEW

Establishes unexpended funds for the Electronic Health Records Incentive program as a work project appropriation with the completion date estimated to be September 30, 2017.

MEDICAL SERVICES

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

Directs the Department to submit copies of analysis of HMO HEDIS reports and annual external quality review report within 30 days of receipt.

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

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

Sec. 1699. Disproportionate Share Hospital (DSH) and Graduate Medical Education (GME) Payments - DELETED

Authorizes separate payments for hospitals serving a disproportionate share of indigent patients in the amount of \$45.0 million, and those hospitals providing GME training programs. Distribution is based on a methodology used in FY 2003-04. A distribution report is due by September 30 of the current fiscal year. The Department is required to form a workgroup to derive a new DSH formula or formulas with the result to be reported to the Legislature.

Sec. 1775. Medicaid Managed Care for Dual Eligibles - DELETED

Requires the Department to report to the Legislature on a federally-approved managed care waiver for dual Medicare/Medicaid eligibles.

Sec. 1846. Graduate Medical Education Funding Workgroup - DELETED

Requires the Department to establish a workgroup on graduate medical education funding, identifies workgroup representation, goals of the workgroup and must issue a report.

Sec. 1853. Medicaid HMO Enrollee Automatic Assignment Workgroup - DELETED

Requires the Department to form a workgroup to develop revisions to the process of automatic assignment of new Medicaid recipients to HMOs if the recipient has not chosen an HMO upon enrollment.

ONE-TIME BASIS ONLY

Sec. 1901. One-Time Funding for FY 2011-12 - REVISED

Eliminates 4 of 5 of the FY 2011-12 one-time funding items; total of FY 2011-12 one-time funding was \$53.0 million gross (\$22.1 million GF/GP). Provides one-time funding of \$49.7 million Gross (\$12.0 million GF/GP) for FY 2012-13, including increased funding for Healthy Michigan Fund programs, renamed to health and wellness initiatives, and 4 new one-time funded items: state employee lump sum payments, laboratory services, Michigan Medicaid information system, and Office of Services to Aging administration.

Supplemental Recommendations for FY 2011-12 Appropriations

**FY 2011-12
Recommendation**

		FY 2011-12 Recommendation
<u>Supplemental Recommendations for FY 2011-12 Appropriations</u>		
1. Primary Care Services		Gross \$330,200
Restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,800 GF/GP) for Bronson Methodist Hospital supporting primary care services, increasing the hospital's primary care DSH payment to FY 2010-11 funded level.	Federal	218,400
	GF/GP	\$111,800
2. Traumatic Brain Injury Treatment Project		Gross \$200,000
Restores \$200,000 Gross (\$100,000 GF/GP) funding for pilot programs to encourage trauma hospital use of traumatic brain injury (TBI) treatment models. Program was last supported in FY 2010-11 but funds were not expended.	Federal	100,000
	GF/GP	\$100,000
3. Donated Dental Program Coordination		Gross \$25,000
Provides additional \$25,000 GF/GP for contractual services to coordinate Donated Dental Program services for uninsured persons who have difficulty accessing dental services due to mental or physical handicap, visual impairment, chronic illness or age. Increases program funding from \$125,000 to \$150,000, restoring it to FY 2008-09 funding level.	GF/GP	\$25,000
4. Indigent Care Agreements		Gross \$7,220,400
Increases the Special Medicaid Reimbursement line by \$7.2 million Gross (\$2.5 million state restricted) to support additional indigent care agreement (ICA) services through the disproportionate hospital (DSH) pool. This action would bring the FY 2011-12 level of ICA support up to that of FY 2010-11. The FY 2012-13 Executive recommendation includes the increased FY 2011-12 amount.	Federal	4,775,600
	Restricted	2,444,800
	GF/GP	\$0
5. Chiropractic Services		Gross \$450,000
Increases the Auxiliary Medical Services line by \$450,000 (\$152,400 GF/GP) restoring Medicaid chiropractic services beginning April 1, 2012. This amount is annualized in the FY 2012-13 Executive budget recommendation.	Federal	297,600
	GF/GP	\$152,400
6. Hospital Assessment DSH Payments		Gross \$9,640,500
Increases the Special Medicaid Reimbursement line by \$9.6 million Gross (\$3.3 million state restricted) to support additional hospital assessment financed disproportionate hospital (DSH) pool payments. This action would bring the FY 2011-12 level of hospital assessment financed DSH payments up to that of FY 2010-11 and equals the amount included in the FY 2012-13 Executive recommendation.	Federal	6,376,200
	Restricted	3,264,300
	GF/GP	\$0
7. Wayne State Psychiatric Residency Program		Gross \$8,520,900
Increases the Special Medicaid Reimbursement line by \$8.5 million Gross (\$2.9 million state restricted) to reinstate DSH funding for the psychiatric residency program at Wayne State University. The FY 2012-13 Executive recommendation includes funding of \$8.4 million for the Wayne State program through the DSH pool.	Federal	5,635,700
	Restricted	2,885,200
	GF/GP	\$0