

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
DEPARTMENT OF HEALTH AND HUMAN SERVICES**



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	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$13,819,300	\$13,829,900	\$10,600	0.1
Federal	18,306,958,900	18,688,919,000	381,960,100	2.1
Local	146,246,000	165,059,600	18,813,600	12.9
Private	142,959,500	176,936,000	33,976,500	23.8
Restricted	2,978,783,900	3,015,718,000	36,934,100	1.2
GF/GP	4,769,278,700	5,088,366,400	319,087,700	6.7
Gross	\$26,358,046,300	\$27,148,828,900	\$790,782,600	3.0
FTEs	15,438.0	15,604.0	166.0	1.1

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, enforcing child support laws, funding behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
MEDICAID AND BEHAVIORAL HEALTH – GENERAL		
1. Traditional Medicaid Cost Adjustment	Gross \$14,654,187,100	\$346,147,900
Increases \$346.1 million Gross (\$135.3 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Amount includes \$23.2 million GF/GP to offset federal FMAP and SCHIP match rates adjustments from 64.06% to 64.08% and 86.34% to 74.86%, respectively. Compared to FY 2018-19 expenditures, State Budget Office forecasts an average annual increase of 3.2%.	Federal 9,340,804,400	210,994,200
	Local 52,140,400	(70,900)
	Private 2,100,000	0
	Restricted 2,351,951,200	(46,600)
	GF/GP \$2,907,191,100	\$135,271,200
2. Healthy Michigan Plan Cost Adjustment	Gross \$4,116,287,200	\$145,157,000
Increases \$145.2 million Gross (\$37.0 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Amount includes \$22.5 million GF/GP to offset the decline in federal match rate from 90.75% to 90.00%. Compared to FY 2018-19 expenditures, State Budget Office forecasts an average annual increase of 3.9%.	Federal 3,741,823,200	99,998,700
	Local 1,754,800	240,800
	Restricted 338,849,100	7,911,900
	GF/GP \$33,860,100	\$37,005,600
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

<u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u>	<u>FY 2019-20 YTD (as of 2/6/20)</u>	<u>Executive Change from YTD</u>
DEPARTMENTAL ADMINISTRATION		
4. MiSACWIS Replacement	FTE 0.0	24.0
Includes \$20.6 million Gross (\$12.2 million GF/GP), of which \$16.0 million Gross (\$8.3 million GF/GP) is designated as one-time funding, and authorization for 24.0 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	\$20,623,600
	Federal 0	8,407,500
	GF/GP \$0	\$12,216,100
5. Information Technology Consolidation	FTE 43.0	(30.0)
Transfers \$47.0 million Gross (\$11.8 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 Services and Projects line item in order to ameliorate the identified information technology GF/GP funding shortfall. Adjusts FTE positions and reincorporates the major information technology programs – Bridges, MiSACWIS, and Integrated Service Delivery – as well as the Information Technology Contingency line item, into the Information Technology Services and Projects, Child Support Automation, and Michigan Medicaid Information System line items. These programs were separated into programmatic line items in the FY 2019-20 budget.	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
6. Office of Inspector General – Vacant FTE Positions	FTE 207.0	(10.0)
Includes a reduction of \$1.3 million Gross (\$671,900 GF/GP) from eliminating 10.0 currently vacant FTE positions.	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)
7. 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
8. 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 4, 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
CHILD SUPPORT ENFORCEMENT		
9. Child Support Operations Reduction	FTE 179.7	0.0
Reduces \$3.9 million Gross (\$1.3 million GF/GP) for the Office of Child Support based on costs and administrative efficiencies.	Gross \$23,464,900	(\$3,900,000)
	Federal 14,810,400	(2,574,000)
	GF/GP \$8,654,500	(\$1,326,000)
10. Michigan Child Support Enforcement System (MiCSES) Help Desk	FTE 179.7	8.0
Includes \$1.1 million Gross (\$380,000 GF/GP) and authorization for 8.0 FTE positions for the transfer of the MiCSES Help Desk from DTMB to DHHS. Funding is moved within the DHHS budget from the Child Support Automation line item and FTE positions are transferred from DTMB.	Gross \$23,464,900	\$1,117,600
	Federal 14,810,400	737,600
	GF/GP \$8,654,500	\$380,000

<u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u>	<u>FY 2019-20 YTD (as of 2/6/20)</u>	<u>Executive Change from YTD</u>
COMMUNITY SERVICES AND OUTREACH		
11. Campus Sexual Assault Prevention and Education Initiative	Gross	\$0
Includes \$1.3 million GF/GP for the transfer of the program from the Michigan State Police budget to DHHS. Initiative supports sexual assault programs in colleges and high schools. Sec. 460 is related boilerplate.	GF/GP	\$0
		\$1,321,000
		\$1,321,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE		
12. Child Welfare Caseload Adjustments	Gross	\$696,118,600
Increases funding for child welfare programs by \$35.2 million Gross (\$45.2 million GF/GP) as follows:	Federal	198,373,900
	TANF	94,280,100
	Local	40,914,500
	Private	1,770,700
	GF/GP	\$360,779,400
		\$35,172,000
		292,900
		(14,295,600)
		4,571,400
		(562,700)
		\$45,166,000
<ul style="list-style-type: none"> Foster care payments are increased by \$12.5 million Gross (\$10.5 million GF/GP) from 6,124 cases at \$37,100 per year to 6,050 cases at \$38,700 per year. Adoption subsidies are reduced by \$3.4 million Gross (\$681,300 GF/GP) from 22,062 cases at \$730.41 per month to 21,650 cases at \$731.32 per month. The Child Care Fund is increased by \$26.1 million Gross (\$35.6 million GF/GP). Guardianship assistance payments are decreased by \$5,400 Gross (\$181,300 GF/GP) from 1,188 cases at \$709.26 per month to 1,200 cases at \$701.79 per month. 		
13. Residential Foster Care Facility Rate Increase	Gross	\$259,974,400
Includes an increase of \$14.4 million Gross (\$9.3 million GF/GP) to fund a 15% residential rate increase for private agencies to meet new residential treatment requirements, such as additional staffing, programming, and accreditation, under the federal Family First Prevention Services Act (FFPSA).	Federal	105,645,300
	TANF	9,248,000
	Local	18,102,700
	Private	1,770,700
	GF/GP	\$125,207,700
		\$14,400,000
		5,052,100
		0
		0
		0
		\$9,347,900
14. Qualified Residential Treatment Program (QRTP) Assessments	Gross	\$259,974,400
Includes \$5.2 million Gross (\$3.8 million GF/GP) for assessments of children in private foster care institutions. Third-party treatment assessments are mandated by the FFPSA to be completed within 30 days of placement in a QRTP.	Federal	105,645,300
	TANF	9,248,000
	Local	18,102,700
	Private	1,770,700
	GF/GP	\$125,207,700
		\$5,165,700
		1,379,200
		0
		0
		0
		\$3,786,500
15. Foster Care Prevention Programming	FTE	NA
Includes an increase of \$8.6 million Gross (\$5.4 million GF/GP) and authorization for 10.0 FTE positions to provide additional funding to child welfare programs to help avoid entry into foster care and prevent children from being placed into residential care.	Gross	NA
	Federal	NA
	TANF	NA
	Local	NA
	Private	NA
	GF/GP	NA
		\$8,603,100
		3,244,700
		0
		0
		0
		\$5,358,400
16. Foster Care Savings	Gross	\$259,974,400
Includes a reduction of \$11.3 million Gross (\$5.3 million GF/GP) from assumed future savings to the foster care system because of the \$8.6 million Gross (\$5.4 million GF/GP) prevention programming investment listed in item above.	Federal	105,645,300
	TANF	9,248,000
	Local	18,102,700
	Private	1,770,700
	GF/GP	\$125,207,700
		(\$11,305,400)
		(4,903,000)
		(244,600)
		(862,800)
		0
		(\$5,295,000)
17. Foster Care Savings from Fewer Residential Care Placements	Gross	\$259,974,400
Reduces \$4.9 million Gross (\$2.4 million GF/GP) based on estimated savings from fewer and shorter placements into residential care because of the qualified residential treatment program requirements established in the FFPSA.	Federal	105,645,300
	TANF	9,248,000
	Local	18,102,700
	Private	1,770,700
	GF/GP	\$125,207,700
		(\$4,917,500)
		(2,520,900)
		0
		0
		0
		(\$2,396,600)

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
18. 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)
19. West Michigan Partnership for Children Rate Increase	Gross	\$259,974,400	\$3,200,000
Includes \$3.2 million Gross (\$2.2 million GF/GP) to fund prospective case rate increase based on updated program costs.	Federal	105,645,300	960,000
	TANF	9,248,000	0
	Local	18,102,700	0
	Private	1,770,700	0
	GF/GP	\$125,207,700	\$2,240,000

PUBLIC ASSISTANCE

20. Food Assistance Program Reinvestment	FTE	0.0	6.0
Includes \$10.5 million GF/GP and authorization for 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.	Gross	\$0	\$10,466,000
	GF/GP	\$0	\$10,466,000

21. Public Assistance Caseload Adjustments	Gross	NA	(\$178,413,300)
Recognizes a \$178.4 million Gross (\$1.5 million GF/GP) reduction resulting from adjustments in expected public assistance caseloads in FY 2019-20 and FY 2020-21. The largest proportion of the reduction results from expected decreases in Food Assistance Program caseloads, which are funded through the federal Supplemental Nutrition Assistance Program.	TANF	NA	213,600
	Federal	NA	(174,652,700)
	Restricted	NA	(2,452,300)
	GF/GP	NA	(\$1,521,900)
<ul style="list-style-type: none"> Family Independence Program: reduction of \$3.0 million Gross (\$2.2 million GF/GP). Food Assistance Program: reduction of \$174.7 million Gross (\$0 GF/GP). State Supplementation: reduction of \$857,400 GF/GP. State Disability Assistance: increase of \$119,900 Gross (\$1.6 million GF/GP). 			

22. Multicultural Integration Funding	Gross	\$17,284,900	\$0
Provides for a net-zero transfer of \$2.0 million GF/GP from one-time appropriations for Multicultural Integration Funding to the ongoing Multicultural Integration Funding line item.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$16,169,400	\$0

BEHAVIORAL HEALTH SERVICES

23. Behavioral Health System Redesign	FTE	86.0	16.0
Includes \$5.0 million Gross (\$3.0 million GF/GP) and authorization for 16.0 FTE positions for behavioral health administration related costs for policy development, financial oversight, quality assurance and other projects for integrating behavioral health services and supports with physical health services.	Gross	\$45,391,500	\$5,000,000
	Federal	34,555,400	2,000,000
	Private	1,004,700	0
	GF/GP	\$9,831,400	\$3,000,000

24. Community Mental Health Non-Medicaid Services and Local Match	Gross	NA	\$5,096,000
Transfers \$5.1 million GF/GP used in FY 2019-20 to reduce the local match portion for Medicaid Mental Health Services to the Community Mental Health Non-Medicaid Services line item. The local match portion for Medicaid Mental Health Services would correspondingly increase \$5.1 million. Sec. 928 is related boilerplate.	Local	NA	5,095,100
	GF/GP	NA	\$900

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
25. Opioid Recovery Grant Eliminations	Gross	\$1,200,000	(\$1,200,000)
Removes \$1.2 million GF/GP allocated for: Recovery High Schools (\$600,000 GF/GP) and recovery community organizations (\$600,000 GF/GP).	GF/GP	\$1,200,000	(\$1,200,000)
26. Nursing Home Pre-Admission Screening (PAS)/ Annual Resident Reviews (ARR) Cost Increase	FTE	7.0	0.0
	Gross	\$12,291,300	\$1,631,100
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.	Federal	9,218,600	1,223,400
	GF/GP	\$3,072,700	\$407,700
27. 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
28. 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
29. One-Time Behavioral Health Funding	Gross	\$1,025,000	\$14,750,000
Adds \$14.8 million Gross (\$12.5 million GF/GP) in one-time funding for two behavioral health programs: \$12.3 million Gross (\$10.0 million GF/GP) for opioid crisis response and \$2.5 million GF/GP for first responder post-traumatic stress syndrome and other mental health conditions, and maintains the \$1.0 million GF/GP for autism navigators, which was funded in FY 2019-20.	Federal	0	2,250,000
	GF/GP	\$1,025,000	\$12,500,000
POPULATION HEALTH			
30. Expand Programs for Healthy Moms and Healthy Babies	Gross	NA	\$37,519,600
Increases funding by \$37.5 million Gross (\$17.6 million GF/GP) for expansion of maternal and infant health and support programs across the department. Initiative includes lengthening Medicaid coverage for new mothers and infants to 12 months from 2 months; enhancing access to behavioral health care, family planning services, and contraceptives; and expanding Medicaid and other home visiting programs for pregnant women, new mothers, and at-risk families.	Federal	NA	19,928,100
	GF/GP	NA	\$17,591,500
31. Infrastructure to Address Social Determinants of Health Including Community Health State Innovation Model Regions	FTE	0.0	4.0
	Gross	\$3,000,000	\$8,650,000
Includes \$8.7 million Gross (\$4.1 million GF/GP) and authorization for 4.0 FTE positions for state and local infrastructure to incorporate social determinants of health in the health care system. Initiative funds data sharing infrastructure and integration, creation and implementation of a statewide screening and referral tool, and expanded support for community health innovation regions (CHIRs) increasing funding from \$3.0 million GF/GP to \$4.0 million Gross (\$3.3 million GF/GP). CHIRs originated under the federal State Innovation Model (SIM) grant, now completed.	Federal	0	4,550,000
	GF/GP	\$3,000,000	\$4,100,000
32. Michigan Essential Health Provider	Gross	\$4,519,600	(\$1,000,000)
Eliminates \$1.0 million GF/GP FY 2019-20 increase for the Michigan Essential Health Provider program and related boilerplate Sec. 1141.	Federal	1,236,300	0
	Private	855,000	0
	GF/GP	\$2,428,300	(\$1,000,000)

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
33. 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
34. 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 of the federal share for lead abatement grant from 86.34% to 74.86%. YTD shown is for Healthy Homes Program line item, of which \$20.9 million is federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities for up to five years, since FY 2016-17.	Federal	22,349,600	(2,785,500)
	Private	77,800	0
	Restricted	723,700	0
	GF/GP	\$10,616,900	\$2,785,500
35. Lead Poisoning Prevention Fund – One-Time Funding	Gross	\$0	\$10,000,000
Includes new one-time funding of \$10.0 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.	GF/GP	\$0	\$10,000,000
36. Flint Drinking Water and Lead Exposure	Gross	\$4,621,100	\$0
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	\$0
37. Oral Health Assessment for Children	Gross	\$0	\$2,000,000
Includes \$2.0 million GF/GP to provide oral health assessments free of charge to children entering public school kindergarten who do not have dental insurance. Sec. 1321 is related boilerplate. HB 4223 proposes similar program. (Similar funding in FY 2019-20 budget was vetoed).	GF/GP	\$0	\$2,000,000
38. Local Dental Health Clinics	Gross	\$1,550,000	(\$1,000,000)
Reduces local dental clinic program funding by \$1.0 million GF/GP for local health departments partnering with nonprofit dental providers.	GF/GP	\$1,550,000	(\$1,000,000)
39. Prenatal Strong Beginnings Program	Gross	\$1,000,000	(\$1,000,000)
Eliminates a \$1.0 million GF/GP grant for the federal Healthy Start Strong Beginnings program in Kent County and related Sec. 1312 boilerplate first funded in the FY 2019-20 budget.	GF/GP	\$1,000,000	(\$1,000,000)
40. Public Health GF/GP Reductions for IT and Other Savings	Gross	NA	(\$1,160,000)
Reduces population health GF/GP funding across 6 program areas by \$1.2 million including savings from vacant positions; a portion is redirected to address information technology shortfall.	GF/GP	NA	(\$1,160,000)
41. 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: 1) \$10.7 million federal grant funds 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; 2) \$32.8 million federal and private funds to AIDS program primarily reflecting increased drug assistance program rebates; 3) \$200,000 private funds from Amanda's Fund for Breast Cancer Prevention and Treatment; 4) \$16,200 increase for annual inflationary fee adjustment for screening of newborns for genetic conditions; and 5) \$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.	Federal	NA	13,445,100
	Local	NA	8,442,700
	Private	NA	30,200,000
	Restricted	NA	16,200
	GF/GP	NA	\$0

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
AGING AND ADULT SERVICES		
42. Senior Programs - Non-GF/GP Funds Adjustments	Gross \$111,781,900	\$2,000,000
Recognizes \$2.0 million of federal and private funds for senior programs including \$700,000 for community services, \$800,000 for congregate and home-delivered meals, and \$500,000 to improve health of individuals receiving public long-term care support services.	Federal 59,343,900	1,500,000
	Private 520,000	500,000
	Restricted 6,068,700	0
	GF/GP \$45,849,300	\$0
MEDICAL SERVICES		
43. Medicaid Transformation Office	FTE 370.0	0.0
Includes \$5.0 million Gross (\$2.5 million GF/GP) to support a new administrative office. The office would review policy related to quality of care, payment initiatives, cost savings in managed care, and other Medicaid-related issues.	Gross \$78,721,500	\$5,000,000
	Federal 54,886,700	2,500,000
	Local 37,700	0
	Private 101,300	0
	Restricted 336,300	0
	GF/GP \$23,359,500	\$2,500,000
44. Medicaid Managed Care Organization Single Preferred Drug List	Gross NA	(\$182,900,000)
Assumes \$182.9 million Gross (\$45.8 million GF/GP) in net savings by establishing a single preferred drug list to be utilized by all Medicaid managed care contracts and increasing Medicaid managed care independent pharmacy dispensing fees to an average of \$3.00. Total cost of increasing the dispensing fees would be \$18.3 million Gross (\$4.6 million GF/GP), and assumed single preferred drug list savings would be \$201.2 million Gross (\$50.4 million GF/GP).	Federal NA	(137,125,200)
	GF/GP NA	(\$45,774,800)
45. Medicaid Managed Care Organization Rate Reduction – Third Party Liabilities	Gross \$5,384,831,800	(\$49,721,600)
Assumes a savings of \$49.7 million Gross (\$17.9 million GF/GP) from penalizing Medicaid health plans through rate reductions for not collecting third party liability recoupments.	Federal 3,532,282,900	(31,861,600)
	Local 25,140,900	0
	Restricted 1,625,099,700	0
	GF/GP \$202,308,300	(\$17,860,000)
46. 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 \$15.0 million.	Federal NA	249,416,000
	Restricted NA	118,242,400
	GF/GP NA	(\$15,012,400)
47. MiDocs	Gross \$794,959,600	\$83,520,000
Includes \$83.5 million Gross (\$20.1 million GF/GP) to support MiDOCS over the course of 5 years. This includes \$86.5 million Gross (\$21.6 million GF/GP) in one-time funding, as well as a reduction of \$3.0 million Gross (\$1.5 million GF/GP) to ongoing funding.	Federal 476,022,300	41,760,000
	Restricted 272,701,300	21,630,000
	GF/GP \$46,236,000	\$20,130,000
48. Medicaid Long-Term Care Rate Redesign	Gross \$2,034,127,900	(\$84,354,100)
Assumes a savings of \$84.4 million Gross (\$30.3 million GF/GP) from adopting a federally implemented model for Medicare covered long-term care facilities. Assumed savings would result from changing cost reimbursements from bed-day rates to reimbursements based on individual patient needs.	Federal 1,299,436,800	(54,054,100)
	Local 6,618,800	0
	Private 2,100,000	0
	Restricted 388,642,900	0
	GF/GP \$337,329,400	(\$30,300,000)
49. Long-Term Care Services Counseling	FTE NA	4.0
Includes \$20.3 million Gross (\$8.5 million GF/GP) and authorization for 4.0 FTE positions to create a statewide network of independent counselors. The intent is to assist Medicaid recipients select long-term care services. Includes funding to establish a toll-free hotline and provide for outreach materials.	Gross NA	\$20,250,000
	Federal NA	11,750,000
	GF/GP NA	\$8,500,000

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
50. MI Choice Rate and Slot Increase Removal	Gross	\$390,620,400	(\$40,535,500)
Includes a net-zero transfer of \$40.5 million Gross (\$14.6 million GF/GP) from MI Choice to provide for an increase in long-term care services by not implementing the increase in MI Choice rates and number of slots.	Federal	249,774,600	(25,975,100)
	GF/GP	\$140,845,800	(\$14,560,400)
51. Private Duty Nursing	Gross	NA	\$8,656,300
Includes \$8.7 million Gross (\$3.1 million GF/GP) to provide a 25% rate increase for private duty nursing services for Medicaid recipients under the age of 21.	Federal	NA	5,547,000
	GF/GP	NA	\$3,109,300
52. Tribal Pharmacy Reimbursement Increase	FTE	NA	2.0
Includes \$17.2 million Gross (\$75,000 GF/GP) and authorization for 2.0 FTE positions 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. FTE positions would be program policy and auditing related.	Gross	NA	\$17,150,000
	Federal	NA	17,075,000
	GF/GP	NA	\$75,000
53. Nonemergency Medical Transportation (NEMT)	Gross	\$18,686,800	(\$1,774,900)
Reflects a \$1.8 million Gross (\$637,500 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	(1,137,400)
	GF/GP	\$8,228,000	(\$637,500)
54. State Restricted Revenue Adjustments	Gross	NA	\$0
Revises restricted revenues based on projected available revenue for a net reduction of \$67.1 million, which is offset by a like amount of GF/GP. Revisions include:	Restricted	NA	(67,145,400)
<ul style="list-style-type: none"> Reducing Medicaid Benefits Trust Fund \$39.0 million. Reducing Merit Award Trust Fund \$16.0 million. Reducing Healthy Michigan Fund \$4.9 million. Removing Health Insurance Claims Assessment (HICA) fund balance \$7.2 million. 	GF/GP	NA	\$67,145,400
ONE-TIME APPROPRIATIONS			
55. Remove FY 2019-20 One-Time Appropriations	FTE	10.0	(10.0)
Removes one-time appropriations included in FY 2019-20. Any funding retained into FY 2020-21 is noted elsewhere.	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)

Major Boilerplate Changes from FY 2019-20

Executive Boilerplate Deletions

The executive budget recommendation deletes a significant amount of boilerplate language included in the FY 2019-20 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

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 increase maximum amounts for contingency appropriations for a total amount of up to \$590 million, similar to levels in FY 2018-19.

Major Boilerplate Changes from FY 2019-20

Sec. 218. Basic Health Services – DELETED

Lists eight health services to be included in annual list of proposed basic health services that are to be available and accessible throughout the state, as required under Part 23 of the Public Health Code, 1978 PA 368.

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

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.

Sec. 225. Public and Private Service Providers – DELETED

Prohibits sanctions or suspensions from being more stringent for private providers than for public providers performing equivalent services; prohibits preferential treatment for public or private service providers based on whether or not they have collective bargaining agreements with direct care workers.

Sec. 229. Interagency Agreement with Michigan Talent Investment Agency – DELETED

Requires DHHS to continue interagency agreement with Michigan Talent Investment Agency for TANF-funded job readiness and welfare-to-work programming and requires specific outcome and performance reporting; requires reports.

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

Prohibits expenditure of appropriations in cases where existing work project authorization is available for the same expenditures.

Sec. 253. Information Technology Investment Management and Board – DELETED

Requires establishment of an information technology investment board within DHHS, provides guidance and policy for establishing management practices, and requires reports.

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

Directs DHHS, if funds are available, to collaboratively revise the curriculum for 2 education health modules to include age-appropriate and medically accurate information about depression and suicide and protective factors to prevent suicide.

Sec. 264. DHHS Employee Communication with Legislature – DELETED

Prohibits DHHS from taking disciplinary action against an employee for communicating with a member of the Legislature or his/her staff.

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.

CHILDREN'S SERVICES - CHILD WELFARE

Sec. 515. Child Protection Services (CPS) Caseworker Home Visit Safety – DELETED

Prohibits DHHS from denying a CPS caseworker's request to have another worker accompany the CPS caseworker on a home visit if the CPS caseworker believes it is unsafe to conduct the home visit alone.

Sec. 517. Title IV-E Appeals Process – REVISED

Requires DHHS to retain the same Title IV-E appeals policy as the existing policy in place in FY 2016-17. Revises by eliminating requirement to retain existing appeals policy and requires DHHS to retain a formal Title IV-E appeal process and to request from courts all relevant information, including transcripts if needed, for the department's Title IV-E determination.

Sec. 518. Supervisory Oversight of CPS Caseworker Reports – DELETED

Requires supervisors to complete an initial read of a CPS caseworker's report and either approve the report or note any needed corrections within 5 business days; requires the caseworker to resubmit a corrected report within 3 business days.

Sec. 527. Private Child Placing Agencies' Adoption Worker Caseloads – DELETED

Requires DHHS to exclude certain case types when calculating the adoption worker caseload for private agencies if approved by settlement monitor.

Major Boilerplate Changes from FY 2019-20

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. 535. Federal IV-E Claims for Foster Care Payments to Unlicensed Relatives – DELETED

Requires DHHS to create a process to review and approve unlicensed relatives as meeting state licensing standards and to seek Title IV-E claims for payments; requires report.

Sec. 537. Residential Bed Space Standards and Preferences – DELETED

Directs DHHS to collaborate with child caring institutions to implement MCL 400.115o, which restricts out-of-state placements of youth and restricts placements of youth in state administered facilities over comparable private provider facilities.

Sec. 558. Child Welfare Training Institute – DELETED

Requires DHHS to provide all necessary training and materials to private agencies so that trained private agency staff can deliver pre-service training to any private agency staff.

Sec. 573. Foster Care Providers Per Diem Administrative Rates – DELETED

Requires DHHS, if funds become available, to pay providers of foster care services a per diem administrative rate for every case on a caseworker's caseload for the duration of a case; requires actuarial study to review case rates every even-numbered year; requires DHHS to request settlement monitor to redefine caseload ratios.

Sec. 595. CPS Staff and DHHS/Private Agency Caseload Ratio – DELETED

Requires DHHS to expend \$162.8 million to hire/employ CPS staff to comply with the Office of the Auditor General 2018 CPS audit; requires that most new foster care cases be placed under a private child placing agency's supervision until the statewide ratio of foster cases is 55% for private agency supervision and 45% for DHHS supervision.

Sec. 598. Child Care Fund (CCF) County Partial Reimbursements Requirement – REVISED

Requires DHHS to make partial CCF reimbursements to counties for undisputed charges within 45 business days after receipt of required forms and documentation. Revises by deleting requirement of payments within 45 business days and requires DHHS to begin investigation of all disputed reimbursement requests pursuant to statute and department chargeback policy.

PUBLIC ASSISTANCE

Sec. 603. Public Assistance Change in Benefits Notification – DELETED

Requires the department to notify public assistance recipients no later than 15 work days prior to the effective date of any decrease in benefits amount.

Sec. 609. Supplemental Security Income – REVISED

Prohibits the department from reducing SSI payments for personal care/adult foster care and home for the aged categories; requires 30-day notification to the legislature prior to any reduction. Revises to remove the 30-day notification requirement.

FIELD OPERATIONS

Sec. 825. Vehicle Repair Grants – DELETED

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; authorizes department discretion to provide grants of up to \$900 in certain circumstances.

BEHAVIORAL HEALTH SERVICES

Sec. 912. Salvation Army Harbor Light Program – DELETED

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care.

Major Boilerplate Changes from FY 2019-20

Sec. 940. Transferring and Withdrawing CMHSP Allocations – REVISED

Requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses, to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs, and to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region; prohibits a CMHSP from receiving additional funding if the CMHSP transferred out or withdrew funds during current fiscal year; requires CMHSPs to report any proposed reallocations prior to going into effect; requires legislative notification and report. Revises by removing the requirement to withdraw unspent funds if funds were not expended in a manner approved by DHHS.

Sec. 960. Autism Services Cost Containment – DELETED

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.

Sec. 964. Behavioral Health Fee Schedule – DELETED

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.

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."

POPULATION HEALTH

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. 1151. Opioid Addiction Treatment Education Collaboration – DELETED

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

Sec. 1238. Lead Elimination and Response Workgroup – DELETED

Requires DHHS to establish a workgroup to determine the cost of establishing lead elimination and response; requires report to the legislature on the findings of the workgroup by March 1.

Sec. 1303. Contract Restrictions for Family Planning Local Agreements with State Funds – DELETED

Prohibits DHHS from contracting with an organization that provides elective abortions, or abortion counseling or referrals, for services funded with state restricted or GF/GP funds appropriated for family planning local agreements; prohibits an organization under contract with DHHS from subcontracting with an organization that provides elective abortions, or abortion counseling or referrals, for services that are to be funded with state restricted or GF/GP funds appropriated for family planning local agreements.

Sec. 1304. Prohibit Use of State Funds for Abortion Counseling, Referrals, or Services – DELETED

Prohibits the use by DHHS, grantees, or subcontractors of state restricted or state general funds appropriated in the Family Planning Local Agreements line item or the Pregnancy Prevention Program line item for abortion counseling, referrals, or services.

Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – DELETED

(1) Prohibits DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under 2002 PA 360, if another entity applies to provide those services that is not already engaged in abortion activities. (2) Requires DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities.

Sec. 1320. Family Planning and Pregnancy Prevention Media Campaign Messaging – DELETED

States legislative intent that funds that may be expended for a public media campaign regarding publicly funded family planning or pregnancy prevention programs shall not be used to communicate any message that implies or that can be interpreted to mean that abortion is a method of family planning or pregnancy prevention.

Major Boilerplate Changes from FY 2019-20

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.

Sec. 1350. Emergency Medical Services Data Exemption – DELETED

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.

MEDICAL SERVICES

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.

Sec. 1507. Office of Inspector General Medicaid Managed Care Audits – DELETED

Requires the Office of Inspector General to audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to providers; prohibits DHHS from fining, suspending, or disenrolling a Medicaid provider due to the discovery of inappropriate payments, unless authorized by federal or state law.

Sec. 1625. Medicaid Managed Care Independent Pharmacy Dispensing Fees – NEW

Prohibits DHHS, beginning October 1, 2020, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not utilize a professional dispensing fee comparable to \$3.00 for pharmacies with four or fewer stores, and requires DHHS to identify the applicable pharmacies.

Sec. 1730. Literacy Development Assessment Tool – DELETED

Requires DHHS to maintain enhanced assessment tools in collaboration with the Department of Education that promote literacy development of pregnant women and new mothers in the Maternal Infant Health Program and requires new father to be included, when possible.

Sec. 1763. Actuarial Services Request for Proposal – DELETED

Requires DHHS to issue a request for proposal for a 3-year contract for actuarial services related to rate setting for traditional Medicaid and Healthy Michigan Plan before the initial expiration of the current contract and to notify the legislature.

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.

Sec. 1804. Identification of Medicaid Beneficiaries Who Are Veterans – DELETED

Requires DHHS to enter into an interagency agreement with Department of Military and Veterans Affairs to work with the federal government's public assistance reporting information system to identify Medicaid recipients who are veterans and may be eligible for federal veteran's health care benefits; lists specific performance outcomes to be reported to the legislature.

Sec. 1805. Graduate Medical Education (GME) 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 post quality data on the hospital's website; requires DHHS to withhold 25% of a hospital's GME payment if data is not submitted by January 1.

Sec. 1806. Common Formulary for Medicaid Health Plans Report – DELETED

Requires Medicaid health plans to report to DHHS on the progress in implementing the common formulary; requires DHHS to develop policies to operate the common formulary to ensure fair and full public participation; requires a report.

Sec. 1810. Health Plan Encounter Data Reporting – REVISED

Requires DHHS to enhance encounter data reporting processes and develop rules to improve completeness and quality of data while minimizing health plan administrative expense and requires DHHS to notify a health plan of any encounter data that have not been accepted for the purposes of rate setting and allow a health plan to dispute and correct any discarded encounter data. Revises by deleting requirement to enhance encounter data reporting processes and develop rules to improve completeness and quality of data.

Sec. 1837. Telemedicine and Telepsychiatry Use in Underserved Areas – REVISED

Requires DHHS to continue and expand the use of telemedicine and telepsychiatry as a means to increase access to services for Medicaid recipients and expands definitions of "originating site" and "distant site". Revised to delete definitions of "originating site" and "distant site".

Major Boilerplate Changes from FY 2019-20

Sec. 1856. Hospice Room and Board Payments – REVISED

Requires DHHS to expend funds to provide room and board payments to hospice residences that have been enrolled in Medicaid by October 1, 2017 through monthly grants based on the number of beds; requires hospice residences to report program data to DHHS; requires any remaining funds be returned to the state. Revised enrollment date to October 1, 2014 and replaces monthly grant distribution requirements and hospice reporting requirements with contracts.

Sec. 1878. Single Preferred Drug List – NEW

Requires DHHS to maintain a single, standard preferred drug list to be used by Medicaid managed care organizations, requires changes to the preferred drug list to be made in consultation with Medicaid managed care organizations and the state Pharmacy and Therapeutics Committee but provides DHHS with final authority based on maximizing rebates and clinical efficacy; requires a report.

INFORMATION TECHNOLOGY

Sec. 1909. Information Technology Spending Restrictions – DELETED

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.

ONE-TIME APPROPRIATIONS

Sec. 1931. Michigan Medical Resident Loan Repayment Program – DELETED

Directs DHHS to spend available work project revenue to continue implementation of the Michigan medical resident education loan repayment assistance program as specified in Section 1918 of Article X of 2018 PA 207.

		<u>FY 2019-20 Recommendation</u>
<u>MEDICAID AND BEHAVIORAL HEALTH</u>		
1. Traditional Medicaid and Healthy Michigan Plan Cost Adjustments	Gross	\$325,326,000
Increases \$325.3 million Gross (\$79.2 million GF/GP) based on caseload and utilization adjustments for the Medicaid program.	Federal	246,152,400
	GF/GP	\$79,173,600
2. Traditional Medicaid and Healthy Michigan Plan Non-Caseload Adjustments	Gross	\$101,612,200
Increases \$101.6 million Gross (reduces \$59.4 million GF/GP) based on changes in non-caseload related Medicaid program adjustments. Amount includes \$42.0 million GF/GP savings related to increased state psychiatric DSH payments.	Federal	90,171,800
	Local	1,381,500
	Restricted	69,475,400
	GF/GP	(\$59,416,500)
3. Behavioral Health System Redesign	FTE	16.0
Includes \$3.2 million Gross (\$1.9 million GF/GP) and authorizes 16.0 FTEs for policy development and projects for integrating behavioral health services and supports with physical health services.	Gross	\$3,222,500
	Federal	1,289,000
	GF/GP	\$1,933,500
4. Nursing Home Pre-Admission Screening (PAS)/ Annual Resident Reviews (ARR) Cost Increase	Gross	\$697,300
Adds \$697,300 Gross (\$174,300 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.	Federal	523,000
	GF/GP	\$174,300
5. Behavioral Health Facility Contingency Transfer	Gross	\$0
Transfers \$20.0 million GF/GP from the new Behavioral Health Facility Contingency line item into the state hospitals and centers line items.	GF/GP	\$0
6. Medicaid Hospital Outpatient Rate Increase	Gross	\$57,756,700
Includes \$57.8 million Gross (\$7.4 million GF/GP) to provide a 7.0% rate increase in Medicaid outpatient hospital reimbursements for a period of 6 months.	Federal	43,132,500
	Restricted	7,176,000
	GF/GP	\$7,448,200

Supplemental Recommendations for FY 2019-20 Appropriations

**FY 2019-20
Recommendation**

7. MI Choice Rate and Slot Increase Removal	Gross	(\$40,535,500)
Includes a net-zero transfer of \$40.5 million Gross (\$14.6 million GF/GP) from MI Choice to provide for an increase in long-term care services. See revision for FY21.	Federal	(25,975,100)
	GF/GP	(\$14,560,400)
8. Nonemergency Medical Transportation	Gross	(\$1,774,900)
Reflects a \$1.8 million Gross (\$637,900 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	(1,137,000)
	GF/GP	(\$637,900)
9. Medicaid Restricted Revenues	Gross	\$0
Includes \$43.1 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	(43,125,400)
	GF/GP	\$43,125,400

DEPARTMENTAL ADMINISTRATION

10. MiSACWIS Replacement	FTE	24.0
Includes \$11.3 million Gross (\$5.8 million GF/GP), of which \$11.1 million Gross (\$5.7 million GF/GP) is designated as one-time funding, and authorization for 24.0 FTE positions to begin 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	\$11,276,400
	Federal	5,439,400
	GF/GP	\$5,837,000
11. Federal A-87 Exception Expiration	Gross	(\$10,682,300)
Reduces federal authorization by \$10.7 million to recognize the end of the program, which provided human services and Medicaid-related information technology and technical support with a higher federal match rate.	Federal	(10,682,300)
	GF/GP	\$0
12. Information Technology Shortfall	Gross	\$6,000,000
Includes a net-zero transfer of \$6.0 million GF/GP from various line items across the department budget to the Information Technology Services and Projects line item to ameliorate the identified information technology GF/GP funding shortfall.	GF/GP	\$6,000,000

HUMAN SERVICES

13. Child Welfare Caseload Adjustments	Gross	\$32,325,500
Includes \$32.3 million Gross (\$37.2 million GF/GP) for caseload adjustments. Of this increase, \$20.0 million Gross (\$29.6 million GF/GP) is for the Child Care Fund for which expenditure claims have been increasing.	Federal	4,391,500
	TANF	(13,084,700)
	Local	4,410,800
	Private	(562,700)
	GF/GP	\$37,170,600
14. West Michigan Partnership for Children Rate Increase	Gross	\$3,200,000
Includes \$3.2 million Gross (\$2.2 million GF/GP) to fund prospective case rate increase based on updated program costs.	Federal	960,000
	GF/GP	\$2,240,000
15. Family Preservation Programs	Gross	\$15,818,900
Includes \$15.8 million federal to recognize funding from a new federal award for the transition and implementation of the requirements of the federal FFPSA.	Federal	15,818,900
	GF/GP	\$0
16. Child Fatalities Grant	Gross	\$250,000
Includes \$250,000 federal funding for the first year of a new 3-year federal grant to fund efforts to reduce child fatalities and recurring child abuse.	Federal	250,000
	GF/GP	\$0
17. Child Protective Services (CPS) Legal Representation	Gross	\$3,263,900
Includes \$3.3 million federal to fund the legal representation of children and parents in child protective hearings.	Federal	3,263,900
	GF/GP	\$0

Supplemental Recommendations for FY 2019-20 Appropriations

**FY 2019-20
Recommendation**

PUBLIC ASSISTANCE

18. Food Assistance Program Reinvestment

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.

Gross	\$10,466,000
GF/GP	\$10,466,000

19. Public Assistance Caseload Adjustments

Recognizes a \$95.4 million Gross (\$1.9 million GF/GP) reduction resulting from adjustments in expected public assistance caseloads in FY 2019-20.

- Family Independence Program: reduction of \$1.3 million Gross (\$1.9 million GF/GP).
- Food Assistance Program: reduction of \$92.9 million Gross (\$0 GF/GP).
- State Supplementation: reduction of \$1.3 million GF/GP.
- State Disability Assistance: increase of \$174,400 Gross (\$1.4 million GF/GP).

Gross	(\$95,373,900)
TANF	1,547,400
Federal	(92,868,000)
Restricted	(2,131,300)
GF/GP	(\$1,922,000)

POPULATION HEALTH

20. Population Health Non-GF/GP Funds Adjustments

Recognizes \$48.4 million increase for population health from non-GF/GP funds:

- \$7.0 million federal grant for opioid overdose data to action.
- \$32.8 million federal and private funds to AIDS program primarily reflecting increased drug assistance program rebates.
- \$200,000 private revenue from Amanda's Fund for Breast Cancer Prevention and Treatment.
- \$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.

Gross	\$48,392,700
Federal	9,750,000
Local	8,442,700
Private	30,200,000
GF/GP	\$0

AGING AND ADULT SERVICES

21. Senior Programs - Non-GF/GP Funds Adjustments

Recognizes \$2.0 million of federal and private funds for seniors programs including \$700,000 for community services, \$800,000 for congregate and home-delivered meals, and \$500,000 to improve health of individuals receiving public long-term care support services.

Gross	\$2,000,000
Federal	1,500,000
Private	500,000
GF/GP	\$0