

**Summary: Executive Budget Recommendation
for Fiscal Year 2021-22
DEPARTMENT OF HEALTH AND HUMAN SERVICES**



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	FY 2020-21	FY 2021-22	Difference: FY 2021-22	
	Year-to-Date as of 2/11/21	Executive	Amount	%
IDG/IDT	\$13,829,900	\$13,791,400	(\$38,500)	(0.3)
Federal	20,159,666,800	22,910,690,100	2,751,023,300	13.6
Local	161,422,800	162,680,200	1,257,400	0.8
Private	177,172,500	189,276,500	12,104,000	6.8
Restricted	2,989,480,100	3,094,113,000	104,632,900	3.5
GF/GP	5,224,838,900	5,276,683,000	51,844,100	1.0
Gross	\$28,726,411,000	\$31,647,234,200	\$2,920,823,200	10.2
FTEs	15,487.0	15,589.5	102.5	0.7

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 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.

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
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MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustment

Includes \$369.8 million Gross (reduces \$68.6 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 1 quarter (E-FMAP), traditional FMAP cost-sharing adjustments from 64.08% to 65.48%, and managed care risk corridor backout adjustments. Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 8.4%.

Gross	\$15,578,755,100	\$369,808,500
Federal	10,182,299,100	482,539,100
Local	53,347,500	(2,684,800)
Private	4,700,000	0
Restricted	2,209,920,900	(41,417,600)
GF/GP	\$3,128,487,600	(\$68,628,200)

2. Healthy Michigan Plan Cost Adjustment

Includes \$358.9 million Gross (\$35.9 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, managed care risk corridor backout adjustments, and actuarial soundness adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 14.8%.

Gross	\$5,176,326,000	\$358,919,200
Federal	4,631,569,200	323,027,300
Local	1,994,400	0
Restricted	487,115,500	0
GF/GP	\$55,646,900	\$35,891,900

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
3. Actuarial Soundness	Gross NA	\$299,600,000
Includes \$299.6 million Gross (\$78.8 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), Medicaid Health plans, and Program of All-includes Care for the Elderly (PACE); 2.0% for home- and community-based services; 5.0% for Integrated Care Organizations (MI Health Link); 1.0% for Healthy Kids Dental, and 15.8% increase for PIHP autism services.	Federal NA	220,805,900
	GF/GP NA	\$78,794,100
4. Direct Care Wage Increase	Gross \$250,000,000	\$110,000,000
Includes \$110.0 million Gross (\$54.7 million GF/GP), for an annual ongoing cost totaling \$360.0 million Gross (\$121.4 million GF/GP), to support a continuation of the temporary \$2 per hour wage increase for direct care workers. Current year funding is only for the first 5 months of FY 2020-21.	Federal 183,333,300	55,310,700
	GF/GP \$66,666,700	\$54,689,300
DEPARTMENTAL ADMINISTRATION AND SUPPORT		
5. CCWIS Module Development and Operations	FTE 6.0	6.0
Includes a net reduction of \$622,300 Gross (and a net increase of \$203,300 GF/GP) ongoing funding to replace development funding with maintenance and operational funding for the Comprehensive Child Welfare Information System (CCWIS) licensing module. Also includes one-time funding of \$16.8 million Gross (\$8.7 million GF/GP) and authorizes 6.0 FTE positions for the development of the CCWIS intake, investigation, and case management modules. These are the next 3 modules of the 8 remaining cloud-based modules to be implemented over the course of the next 4 to 5 years.	Gross \$4,389,400	\$16,201,900
	Federal 1,789,400	7,250,000
	GF/GP \$2,600,000	\$8,951,900
6. MMIS – Home Help Payments	FTE 3.0	0.0
Includes \$21.0 million Gross (\$2.1 million GF/GP) to provide for changes to the Michigan Medicaid Information System (MMIS) to support Home Help payment changes. Changes would allow payments to be processed through CHAMPS rather than the Adult Service Authorized Payment System (ASAP).	Gross \$116,936,000	\$21,000,000
	Federal 75,787,400	18,900,000
	Private 25,000,000	0
	GF/GP \$16,148,600	\$2,100,000
7. MiSACWIS Maintenance and Operations	Gross \$5,647,800	\$2,345,200
Includes \$2.3 million Gross (\$1.8 million GF/GP) to support increased maintenance and operational costs of the Michigan Statewide Automated Child Welfare Information System centralized intake database and CPS technology suite.	IDG/IDT 18,600	0
	TANF 761,700	0
	Federal 3,752,100	508,300
	Restricted 32,800	0
	GF/GP \$1,082,600	\$1,836,900
8. Office of Race, Equity, Diversity, and Inclusion Enhancement	FTE 0.0	13.0
Includes \$2.1 million Gross (\$1.6 million GF/GP) and authorizes 13.0 FTE positions to establish the Office of Race, Equity, Diversity, and Inclusion Enhancement to support department efforts in promoting equity in department-administered services.	Gross \$0	\$2,113,900
	Federal 0	507,300
	Restricted 0	21,100
	GF/GP \$0	\$1,585,500
9. Property Management – Lease Costs	Gross \$65,065,000	(\$1,074,300)
Includes a reduction of \$1.1 million Gross (\$429,700 GF/GP) to realize the elimination of a lease of a downtown Lansing office, and the relocation of 133 employees.	IDG/IDT 593,500	0
	TANF 10,698,900	0
	Federal 23,107,300	(644,600)
	Private 36,400	0
	Restricted 495,500	0
	GF/GP \$30,133,400	(\$429,700)

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
10. Economic Adjustments	Gross	NA (\$10,697,600)
Reflects overall net reduction of \$10.7 million Gross (\$4.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Amount includes reflected salary and wage increases totaling \$29.0 million Gross (\$13.3 million GF/GP).	IDG/IDT	NA (38,500)
	TANF	NA (1,399,100)
	Federal	NA (4,275,900)
	Local	NA (38,800)
	Private	NA (52,500)
	Restricted	NA (139,300)
	GF/GP	NA (4,753,500)
CHILD WELFARE SERVICES		
11. Child Welfare Caseload Adjustments	Gross	\$741,444,000 \$8,372,700
Increases funding for child welfare programs by \$8.4 million Gross (\$11.8 million GF/GP) as follows:	Federal	206,119,500 (875,100)
	TANF	79,969,600 (6,154,900)
	Local	46,081,400 3,607,500
	Private	1,208,000 (8,000)
	GF/GP	\$408,065,500 \$11,803,200
<ul style="list-style-type: none"> Foster care payments are reduced by \$705,400 Gross (\$1.6 million GF/GP) from 8,152 cases at \$32,415 per year to 8,394 cases at \$32,800 per year. Adoption subsidies are reduced by \$209,700 Gross (\$6.5 million GF/GP increase) from 22,061 cases at \$728.48 per month to 22,057 cases at \$727.82 per month. The Child Care Fund is increased by \$9.1 million Gross (\$6.8 million GF/GP). Guardianship assistance payments are increased by \$141,400 Gross (\$97,600 GF/GP) from 1,201 cases at \$694.42 per month to 1,224 cases at \$691.00 per month. 		
12. Child Welfare FMAP Adjustments	Gross	NA \$0
Includes \$3.7 million GF/GP savings for adjustments to the FMAP match rate from 64.08% to 65.48% and from adjustments and extensions to the enhanced FMAP match rate.	Federal	NA 3,738,700
	GF/GP	NA (\$3,738,700)
13. Qualified Residential Treatment Program (QRTP) Third Party Assessments	Gross	\$3,410,600 \$1,700,200
Adds \$1.7 million Gross (\$1.2 million GF/GP) to annualize funding to private agencies that was appropriated in FY 2020-21 for third party assessments which determine the level of care and treatment goals for foster care youth that may be candidates for residential care. These assessments are required by the QRTP which was established by the federal Family First Prevention Services Act (FFPSA).	Federal	910,600 453,900
	GF/GP	\$2,500,000 \$1,246,300
14. Foster Care QRTP Implementation Savings	Gross	\$286,630,400 (\$4,917,500)
Includes a reduction of \$4.9 million Gross (\$2.4 million GF/GP) for assumed future savings to foster care payments from fewer and shorter placements into residential care because of the implementation of the requirements of the federal FFPSA.	Federal	109,180,800 (2,520,900)
	TANF	8,075,800 0
	Local	23,881,500 0
	Private	1,208,000 0
	GF/GP	\$144,284,300 (\$2,396,600)
15. Private Child Placing Agency Residential Rate Increase	Gross	NA \$18,570,600
Includes \$18.6 million Gross (\$14.2 million GF/GP) to fund residential rate increases to child caring institutions to help the agencies meet new residential treatment requirements established in the QRTP by the federal FFPSA. \$7.1 million funding was appropriated in FY 2021 for a rate increase beginning April 2021; \$4.2 million increase is to annualize this funding. The remaining \$14.4 million increase would fund the additional estimated cost of the rate increase to comply with QRTP requirements as estimated by a third-party analysis.	Federal	NA 4,354,400
	GF/GP	NA \$14,216,200

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
16. Foster Care Prevention Program Investment	FTE 15.0	18.0
Includes an increase of \$9.2 million Gross (\$4.8 million GF/GP) and authorizes 18.0 FTE positions for child welfare family preservation programs that help prevent children being placed into foster care and help keep foster care children in family-like placements. Proposal would add 2 program coordinators and 16 kinship parent support coordinators.	Gross \$50,812,500	\$9,233,800
	Federal 609,600	4,416,800
	TANF 43,224,000	0
	GF/GP \$6,978,900	\$4,817,000
17. Foster Care Prevention Program Savings	Gross \$286,630,400	(\$5,772,500)
Includes a reduction of \$5.8 million Gross (\$2.7 million GF/GP) for assumed future savings to the foster care system because of the \$9.2 million Gross (\$4.8 million GF/GP) prevention programming investment listed in item above.	Federal 109,180,800	(2,385,200)
	TANF 8,075,800	(157,300)
	Local 23,881,500	(555,000)
	Private 1,208,000	0
	GF/GP \$144,284,300	(\$2,675,000)
18. Juvenile Justice Raise the Age Implementation	Gross NA	\$29,100,000
Includes an increase of \$29.1 million Gross (\$24.2 million GF/GP) for the first year phase-in of the Raise the Age program which requires that most 17-year-old offenders be adjudicated in the juvenile justice system rather than the adult court system.	Federal NA	4,900,000
	GF/GP NA	\$24,200,000
PUBLIC ASSISTANCE		
19. Public Assistance Caseload Adjustments	Gross NA	\$1,236,724,000
Includes a net increase of \$1.2 billion Gross (and a net reduction of \$34.2 million GF/GP) to recognize adjustments to FY 2020-21 and FY 2021-22 public assistance caseloads. This includes changes to retained child support collections resulting from FMAP adjustments, a recognition of the 15% increase to P-EBT benefits, and assumes an extension of the 15% increase to SNAP benefits through the end of FY 2020-21. Caseload changes include:	TANF NA	76,600
	Federal NA	1,271,662,300
	Restricted NA	(796,700)
	GF/GP NA	(\$34,218,200)
<ul style="list-style-type: none"> Family Independence Program: reduction of \$33.4 million Gross (\$33.1 million GF/GP) Food Assistance Program: increase of \$1.3 billion federal (\$0 GF/GP) State Disability Assistance: reduction of \$1.8 million Gross (\$1.4 million GF/GP) State Supplementation: increase of \$243,300 GF/GP 		
20. Home Health and Safety – One-Time	Gross \$0	\$5,000,000
Includes \$5.0 million GF/GP one-time funding to support a pilot program, which would provide home repair grants to single/multiple family residences, in order to correct health and safety issues that prevent participation in home energy efficiency programs.	GF/GP \$0	\$5,000,000
21. Cross-Enrollment Expansion	FTE NA	6.0
Includes \$3.5 million Gross (\$2.0 million GF/GP) and authorizes 6.0 FTE positions, of which \$2.5 million Gross (\$1.3 million GF/GP) and 2.0 FTE positions are one-time, to support efforts to enroll public assistance recipients in all other programs they are eligible for. Funding would support administrative and outreach efforts, as well as changes to the MI Bridges enrollment portal.	Gross NA	\$3,500,000
	Federal NA	1,550,000
	GF/GP NA	\$1,950,000
22. Medical/Psychiatric Evaluations – Lapse Reduction	Gross \$1,420,100	(\$300,000)
Reduces the Medical/Psychiatric Evaluations line item by \$300,000 GF/GP to recognize historic lapse amounts.	TANF 2,000	0
	Federal 732,900	0
	GF/GP \$685,200	(\$300,000)

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)		Executive Change from YTD
BEHAVIORAL HEALTH SERVICES			
23. Certified Community Behavioral Health Clinics Demonstration Program	FTE	NA	6.0
	Gross	NA	\$26,497,300
Includes \$26.5 million Gross (\$5.0 million GF/GP) and authorizes 6.0 FTE positions, to establish 14 integrated behavioral and physical health clinics through a federal CMS demonstration program. Amount would include staffing costs for a Behavioral Health Policy and Operations office to oversee the demonstration program.	Federal	NA	21,547,300
	GF/GP	NA	\$4,950,000
24. KB v. Lyon Lawsuit	Gross	NA	\$90,991,800
Includes \$91.0 million Gross (\$30.0 million GF/GP) for estimated children behavioral health service utilization increases to implement future policy changes related to the KB v. Lyon lawsuit agreement.	Federal	NA	60,991,800
	GF/GP	NA	\$30,000,000
25. Autism Navigators	Gross	\$1,025,000	\$0
Includes \$1.0 million GF/GP to continue and move the autism navigator program from the one-time unit into the ongoing behavioral health unit.	GF/GP	\$1,025,000	\$0
26. Federal State Opioid Response (SOR) Grant	Gross	\$30,714,700	\$36,440,900
Includes \$36.4 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths. Federal opioid grant funding also separated out into a separate opioid response activity line item.	Federal	30,714,700	36,440,900
	GF/GP	\$0	\$0
27. Family Support Subsidy Caseloads Adjustments	Gross	\$13,650,000	(\$1,817,600)
Reduces \$1.8 million TANF to support an estimated 4,300 family support subsidy cases.	TANF	13,650,000	(1,817,600)
	GF/GP	\$0	\$0
28. State Psychiatric Hospital Pharmacy Cost Increase	Gross	NA	\$490,900
Adds \$490,900 Gross (\$426,200 GF/GP) to support an estimated 5% inflationary increase in pharmacy costs within the state psychiatric hospitals.	Federal	NA	19,700
	Local	NA	28,700
	Restricted	NA	16,300
	GF/GP	NA	\$426,200
29. State Psychiatric Hospital Coronavirus Relief Funds	Gross	\$0	\$0
Replaces \$22.5 million of one-time federal Coronavirus Relief Funds (CRF) used for eligible state psychiatric hospital costs with a like amount of GF/GP.	Federal	22,500,000	(22,500,000)
	GF/GP	(\$22,500,000)	\$22,500,000
POPULATION HEALTH			
30. Initiatives to Reduce Health Disparities	Gross	NA	\$8,375,000
Includes \$8.4 million Gross (\$5.1 million GF/GP) for new initiatives to reduce health disparities, including increasing use of community-based navigators to facilitate access to health care, improvements in data sharing and interoperability of Michigan Health Information Network, and implementation of statewide screening and referral tool for health related social needs; \$5.0 million Gross (\$2.5 million GF/GP) of the funding is one-time.	Federal	NA	3,250,000
	GF/GP	NA	\$5,125,000

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
31. Healthy Moms Healthy Babies Annualization and Home Visit Program Expansion	FTE	0.0	2.0
Annualization and Home Visit Program Expansion	Gross	\$23,531,900	\$15,012,900
Increases funding by \$15.0 million Gross (\$8.0 million GF/GP) to annualize, add federal funding, and expand Healthy Moms Healthy Babies maternal and infant health and support programs. \$7.6 million Gross (\$1.7 million GF/GP) funds FY 2020-21 program adjustments, and \$7.4 million Gross (\$6.3 million GF/GP) and authorization for 2.0 FTEs expands home visit programs by 1,000 visiting slots to support families with an infant born with substance exposure, and increases navigators, and mental health and other services.	Federal	10,900,400	7,063,000
	GF/GP	\$12,631,500	\$7,949,900
32. Lead Poisoning Prevention Fund	Gross	\$2,000,000	\$8,000,000
Increases one-time GF/GP funding from \$2.0 million to \$10.0 million for the Lead Poisoning Prevention Fund to support low-cost loans to homeowners and landlords for lead remediation projects to reduce lead exposure in the home. Program was first funded in FY 2020-21 and is currently under development.	GF/GP	\$2,000,000	\$8,000,000
33. Public Health Laboratory Fund Shift	Gross	\$26,655,100	\$0
Includes a net \$0 Gross laboratory services adjustment with a \$1.0 million GF/GP increase offset by state restricted fund reduction of laboratory fee funds, reversing an adjustment made in FY 2019-20 using a fee fund balance.	IDG	995,700	0
	Federal	6,203,700	0
	Restricted	13,790,600	(1,000,000)
	GF/GP	\$5,665,100	\$1,000,000
34. Vital Records	Gross	\$10,686,700	\$600,000
Provides increase of \$600,000 Gross for vital records program, including an increase of GF/GP support for the program of \$1.1 million and recognizing reduction of revenue from vital records fees of \$845,900.	Federal	4,408,300	0
	Restricted	5,548,800	(845,900)
	GF/GP	\$729,600	\$1,445,900
35. Oral Health Assessment for Children	FTE	0.0	1.5
Includes \$1.8 million GF/GP and authorization for 1.5 FTE positions to provide oral health assessments free of charge to children entering public school kindergarten who do not have dental insurance, a new program enacted under 2020 PA 261.	Gross	\$0	\$1,760,000
	GF/GP	\$0	\$1,760,000
36. Population Health GF/GP Reductions	Gross	\$525,000	(\$525,000)
Reduces public health funding by \$500,000 for analytical laboratory equipment for PFAS contamination response based on prior-year lapsed funds, and eliminates \$25,000 GF/GP for free family emergency readiness public events in Livingston County funded in FY 2020-21.	GF/GP	\$525,000	(\$525,000)
37. Lead Abatement Grant SCHIP Adjustments	Gross	\$32,757,500	\$0
Includes net \$0 Gross fund shift of \$494,900 from GF/GP to federal for lead abatement grant. YTD shown is for Healthy Homes Program line item, of which \$18.2 million is federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities since FY 2016-17.	Federal	19,504,600	494,900
	Private	77,800	0
	Restricted	723,700	0
	GF/GP	\$12,451,400	(\$494,900)
38. Population Health Non-GF/GP Funds Adjustments	FTE	NA	18.0
Recognizes \$14.0 million Gross for federal, local, private, and state restricted funding, including:	Gross	NA	\$13,988,800
<ul style="list-style-type: none"> \$9.4 million drug rebate revenue for AIDS Drug Assistance Program and 18.0 FTEs to administer contracts and finance; \$2.4 million federal violence prevention funds; \$900,000 local revenue for child and adolescent health care; \$200,000 net private funds for WIC program vendor system, \$715,000 federal laboratory services grants; \$300,000 restricted EMS licensure program fee revenue; \$89,300 restricted newborn screening fee CPI increase 	Federal	NA	3,085,000
	Local	NA	900,000
	Private	NA	9,614,500
	Restricted	NA	389,300
	GF/GP	NA	\$0

<u>Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations</u>	<u>FY 2020-21 YTD (as of 2/11/21)</u>	<u>Executive Change from YTD</u>
AGING AND ADULT SERVICES AGENCY		
39. Aging Community Services	Gross \$46,806,100	\$1,000,000
Recognizes \$1.0 million of additional federal funds for senior community services programs.	Federal 22,980,400	1,000,000
	GF/GP \$23,825,700	\$0
40. Aging Meals and Nutrition Services	Gross \$43,054,200	\$3,500,000
Recognizes \$3.5 million of additional federal funds for senior nutrition services including congregate meals and home-delivered meals.	Federal 30,157,000	3,500,000
	Private 300,000	0
	GF/GP \$12,597,200	\$0
MEDICAL SERVICES		
41. Sickle Cell Disease Coverage	FTE NA	2.0
Includes \$6.7 million GF/GP to expand sickle cell disease health services coverage through CSHCS for adults 21 years and over who age out of the program and are not eligible for Medicaid coverage. Also includes support for the Sickle Cell Disease Association of America, expanded clinical services, and \$50,000 GF/GP for IT modifications.	Gross NA	\$6,650,000
	GF/GP NA	\$6,650,000
42. ClaimSure Contract Savings	Gross NA	(\$3,744,400)
Recognizes a reduction of \$3.7 million Gross (\$1.2 million GF/GP) resulting from a reduction in incorrect Medicaid payments identified by implementation of the ClaimSure system.	Federal NA	(2,509,900)
	Restricted NA	0
	GF/GP NA	(\$1,234,500)
43. MI Health Link - PERS	Gross \$289,839,600	(\$3,750,000)
Recognizes a reduction of \$3.8 million Gross (\$1.2 million GF/GP) resulting from placing program beneficiaries only receiving services from the Personal Emergency Response System (PERS) into a lower rate tier, and realizing the capitation payment cost savings.	Federal 177,464,900	(2,513,600)
	GF/GP \$112,374,700	(\$1,236,400)
44. MI Choice Expansion	Gross \$372,327,100	\$19,125,000
Includes \$19.1 million Gross (\$6.3 million GF/GP) to increase the number of MI Choice slots by 1,000 by the end of FY 2021-22.	Federal 243,465,800	12,819,500
	Private 500,000	0
	GF/GP \$128,361,300	\$6,305,500
45. One-Time Medicaid Long-Term Care Rate Increase	Gross \$2,051,483,200	\$37,500,000
Includes \$37.5 million Gross (\$9.0 million GF/GP) to provide a one-time Medicaid rate increase to nursing facilities.	Federal 1,330,766,800	25,136,300
	Local 6,618,800	0
	Private 4,100,000	0
	Restricted 375,358,200	3,363,700
	GF/GP \$334,639,400	\$9,000,000
46. Medical Services Restricted Fund Adjustments	Gross NA	\$0
Includes net-zero Gross adjustments, and a net reduction of \$58.5 million GF/GP, to backfill reductions in the Health and Safety Fund and recognize increases in revenues in various other state restricted funds.	Restricted NA	58,510,100
	GF/GP NA	(\$58,510,100)
ONE-TIME APPROPRIATIONS		
47. Remove FY 2020-21 One-Time Appropriations	Gross \$406,228,800	(\$406,228,800)
Removes one-time appropriations included in FY 2020-21. Any of this funding that is retained into FY 2021-22 is noted elsewhere. (*CRF is federal Coronavirus Relief Fund).	CRF* 20,550,000	(20,550,000)
	Federal 197,706,200	(197,706,200)
	Private 100,000	(100,000)
	GF/GP \$187,872,600	(\$187,872,600)

Major Boilerplate Changes from FY 2020-21

Executive Boilerplate Deletions

The executive budget recommendation deletes a significant amount of boilerplate language included in the FY 2020-21 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. 210. Contingency Fund Appropriations – REVISED

Appropriates federal, state restricted, local, and private contingency funds of up to \$47 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 of up to \$590 million, similar to levels in FY 2018-19.

Sec. 215. Notification of Conflict with Federal Regulation or When Grant Unused – DELETED

Requires DHHS to provide notice if: (a) a legislative objective in the budget or in a bill to amend the Social Welfare Act cannot be implemented due to conflict with federal regulations; or (b) an awarded federal grant cannot or will not be used.

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

Requires written notice of any major policy changes 30 days before implementation, requires policy manual to be available on DHHS website; and requires a report by April 1 on policy changes made to implement new public acts.

Sec. 233. Legislative and State Administrative Board Transfers – DELETED

Allows the legislature, by a concurrent resolution adopted by a majority of the members of each house, to inter-transfer funds if the State Administrative Board transfers funds from an amount appropriated in the DHHS budget.

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

Establishes that appropriations in part 1 shall, to the extent possible, not be expended in cases where existing work project authorization is available for the same expenditures.

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

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. 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, unless the communication is prohibited by law and disciplinary action is lawful.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 309. Health Literacy Demonstration Project – DELETED

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. 453. Homeless Programs – REVISED

Requires DHHS to allocate the full amount of appropriated funds for homeless programs, including funding for third-party contracts for emergency shelter services. Revises language to eliminate the \$18.00 per bed night rate requirement.

Sec. 462. Trauma Recovery Center Pilots – DELETED

Provides that if funding becomes available, DHHS shall allocate \$4.0 million to implement 4 trauma recovery center pilot projects.

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 unsafe to conduct the home visit alone.

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

Requires DHHS to retain the same Title IV-E appeals policy as the existing policy in place in FY 2016-17.

Major Boilerplate Changes from FY 2020-21

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 the settlement monitor.

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.

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

Requires DHHS to expend the part 1 funding for CPS-caseload staff 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.

PUBLIC ASSISTANCE

Sec. 603. Public Assistance Benefits Notification – DELETED

Requires the department to provide timely notification to public assistance program beneficiaries if there will be a decrease in their benefits.

Sec. 609. SSI State Supplementation – REVISED

Prohibits reduction of SSI State Supplementation for recipients in institutional settings during the fiscal year; requires 30-day notice to the Legislature for any proposed reduction to the State Supplementation level. Revises to replace 30-day notification requirement with a notification upon reduction.

Sec. 660. Food Bank Council TANF Eligibility Reporting – DELETED

Requires the Food Bank Council to report data elements needed to establish TANF eligibility.

Sec. 672. Electronic Benefit Transfer Card Abuse Report – REVISED

Requires DHHS to report on efforts to reduce inappropriate use of Bridge Cards by program recipients and retailers. Revises household notification and EBT card issuance requirements for multiple issuances in a one-year period.

Sec. 686. Caseworker Public Assistance Policies – REVISED

Requires DHHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires confirmation of resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than \$200,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination. Revises to remove phone number collection from Medicaid recipients.

Sec. 687. Application and Case Closure Information – REVISED

Requires DHHS to publish application and case closure information quarterly by program and by county. Revises to change the PATH assessment period from 21 to 10 days.

JUVENILE JUSTICE

Sec. 715. Raise the Age Program – NEW

Requires counties to have an approved budget plan in place as a condition of receiving funds from the Raise the Age Fund program. The budget plan must identify types of costs to be reimbursed, estimated costs for each item, and total estimated cost to be reimbursed. County reimbursement shall not exceed total estimated cost in plan.

Major Boilerplate Changes from FY 2020-21

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 809. Pathways to Potential Program – REVISED

States the purposes of the Pathways to Potential Program, including reducing chronic absenteeism and repeat grades; requires the department and participant schools to establish performance objects – based upon a 2-year baseline – before resources are deployed to participant schools; requires the department to report on participant schools and funding allocations by March 1; and details the Legislature’s intent for the department and participating schools to examine any lack of progress and consider any lack of progress in future funding allocations. Subsection (2) defines performance baseline. Revises to replace “reduction of chronic absenteeism” with “increase graduation rates” as a program purpose.

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.

Sec. 927. Uniform Behavior Health Service Provider Audits – DELETED

Requires DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report.

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 requires 3-year reevaluations, unless a clinician recommended an earlier reevaluation, and require maintenance of statewide provider trainings, limits practitioners who can perform a diagnostic evaluation and requires evaluations performed by a master’s level practitioner to be reviewed by a second practitioner, provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report.

Sec. 970. Skill Building Assistance Services – DELETED

Requires DHHS to maintain skill building assistance services policies in effect on October 1, 2018, and requires DHHS to continue to seek federal matching funds for skill building assistance services.

Sec. 977. Recovery High School Grant – DELETED

Allocates \$600,000 in grants to recovery high schools specifically designated for students recovering from a substance use disorder, and prohibits grants from exceeding \$150,000 per high school.

Sec. 978. Recovery Community Organization – DELETED

Allocates \$600,000 in grants to recovery community organizations to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders, and prohibits grants from exceeding \$150,000 per recovery community organization.

Sec. 1005. Health Home Program Expansion – DELETED

Requires DHHS to maintain and expand the number of behavioral health homes in PIHP regions 1, 2, and 8 and to expand the number of opioid health homes in PIHP regions 1, 2, 4, and 9.

POPULATION HEALTH

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 prescription drug and opioid abuse issues; requires a report by October 1.

Major Boilerplate Changes from FY 2020-21

Sec. 1183. Emergency Medical Response Service Data Exemption – DELETED

Prohibits DHHS from requiring a medical first response service to submit data to the Michigan emergency medical services information system if the service is located in a county with less than 85,000 population, outlines written reporting required.

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 certain state restricted or GF/GP funds. 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 certain state restricted or GF/GP funds.

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

Prohibits the use by DHHS or its 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 items 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 PA 360 of 2002, 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.

MEDICAL SERVICES

Sec. 1501. Electronic Health Records Incentive Program Work Project – DELETED

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. Provides for the intent that funds also be available to dental providers.

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. 1615. Encounter Claims Data Integrity – REVISED

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. Revises to remove language related to information requests from Medicaid health plans, as well as annual audit intent language.

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees based on the medication's standing on the DHHS preferred drug list; requires prescription co-payments for Medicaid recipients not enrolled in the Healthy Michigan Plan or with an income less than 100% of the federal poverty level of \$1 for generic drugs and \$3 for brand-name drugs; requires prescription co-payments for Healthy Michigan plan enrollees with an income of at least 100% of the federal poverty level of \$4 for generic drugs and \$8 for brand-name drugs. Revises to replace "customary cash charge" with "submitted dispensing fee", and makes various technical changes.

Major Boilerplate Changes from FY 2020-21

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

Prohibits DHHS, beginning February 1, 2021, 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 remove implementation date, and modifies the reimbursement methodology.

Sec. 1646. Nursing Facility Quality Measure Initiative Program – DELETED

Requires DHHS to continue a nursing facility quality measure initiative program financed through the nursing facility QAAP and establishes distribution criteria; requires report on program effectiveness.

Sec. 1792. Health Plan Pharmaceutical Encounter Data Report – DELETED

Requires DHHS to evaluate pharmacy encounter data through the first 2 quarters of the fiscal year and to provide a report on the findings.

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

Requires DHHS to maintain Medicaid rules to allow for billing and establish reimbursement for transportation charges related to portable x-ray services and requires policies be effective October 1 of the current fiscal year.

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

Requires DHHS 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 and revise the wording in the public assistance application from “veteran” to “served in the military”. Revises to make language regarding the utilization of the public assistance reporting information system permissive, and removes legislative reporting requirements.

Sec. 1876. Medicaid Coverage of Deflazacort – DELETED

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

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

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 – DELETED

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.

Supplemental Recommendations for FY 2020-21 Appropriations **FY 2020-21 Recommendation**

MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustments

Includes an increase of \$229.2 million Gross (reduction of \$676.4 million GF/GP) for traditional Medicaid program caseload/utilization/inflation, and financing adjustments. Total includes \$737.8 million GF/GP savings from an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 3 quarters. Also included is an increase of \$119.9 million Gross (\$42.6 million GF/GP) attributable to managed care risk corridor savings being accrued back to FY 2019-20 and not being assumed for FY 2020-21. (SBO Letter 2021-5)

Gross	\$229,181,900
Federal	905,536,100
GF/GP	(\$676,354,200)

Supplemental Recommendations for FY 2020-21 Appropriations

**FY 2020-21
Recommendation**

2. Healthy Michigan Plan Cost Adjustments

Includes an increase of \$321.5 million Gross (\$32.2 million GF/GP) for Healthy Michigan Plan caseload/utilization/inflation, and financing adjustments, of which an increase of \$55.2 million Gross (\$5.5 million GF/GP) is attributable to managed care risk corridor savings being accrued back to FY 2019-20 and not being assumed for FY 2020-21. (SBO Letter 2021-5)

Gross	\$321,523,300
Federal	289,371,000
GF/GP	\$32,152,300

3. Direct Care Wage Increase

Includes \$110.0 million Gross (\$43.1 million GF/GP) to continue the \$2.00 per hour direct care wage increase for the rest of the fiscal year. Total annual cost would be \$360.0 million Gross (\$109.8 million GF/GP). Requests related boilerplate. (SBO Letter 2021-5)

Gross	\$110,000,000
Federal	66,881,500
GF/GP	\$43,118,500

4. Special Medicaid Payment Cost Adjustments

Includes \$272.2 million Gross (reduction of \$17.6 million GF/GP) in special Medicaid payment cost adjustments, including provider tax funded supplemental Medicaid payments and physician and dental adjuster payments. (SBO Letter 2021-5)

Gross	\$272,154,400
Federal	257,828,400
Local	(4,254,200)
Restricted	36,213,600
GF/GP	(\$17,633,400)

HUMAN SERVICES

5. Child Welfare Caseload Adjustments

Includes a reduction of \$12.4 million Gross (\$1.5 million GF/GP) for child welfare caseload adjustments. Amount includes reduced funding for foster care by \$17.1 million Gross (\$9.9 million GF/GP) and an increase in Child Care Fund funding by \$3.1 million Gross (\$1.3 million GF/GP). (SBO Letter 2021-5)

Gross	(\$12,418,400)
Federal	(5,463,800)
TANF	(6,600,800)
Local	1,139,500
Private	(8,000)
GF/GP	(\$1,485,300)

6. Child Welfare Enhanced FMAP Adjustments

Includes \$11.7 million GF/GP savings for adjustments to the enhanced FMAP match rate. (SBO Letter 2021-5)

Gross	\$0
Federal	11,716,500
GF/GP	(\$11,716,500)

7. Family Preservation Programs Federal Grant Funding – FFPSA Transition

Includes \$15.6 million federal grant funding to help transition family preservation and foster care programs into greater compliance with the requirements of the FFPSA. (SBO Letter 2021-5)

Gross	\$15,622,000
Federal	15,622,000
GF/GP	\$0

8. Bureau of Community Services and Outreach (BCSO)

Includes 4.0 FTE authorizations for the BCSO. The new positions would be funded by existing appropriations. (SBO Letter 2021-5)

FTE	4.0
Gross	\$0
GF/GP	\$0

9. Homeless Program Per Diem

Includes a net \$0 reappropriation to remove the specific \$18.00 per night rate in current boilerplate section 453. (SBO Letter 2021-5)

Gross	\$0
Federal	0
GF/GP	\$0

10. Foster Care Private Agency Residential Rate Increase

Adds \$4.2 million Gross (\$3.9 million GF/GP) additional funding for residential rate increases to child caring institutions (CCI) to help the agencies meet new residential treatment requirements established in the QRTP by the federal FFPSA. (SBO Letter 2021-5)

Gross	\$4,208,100
Federal	309,600
GF/GP	\$3,898,500

11. Federal Minority Health Grant

Adds \$450,000 federal funding for a new Federal Minority Health Grant to be administered by the Children's Trust Fund (CTF). Also provides \$100,000 federal funding to the CTF for an increase to the Community-Based Child Abuse Prevention grant. (SBO Letter 2021-5)

Gross	\$550,000
Federal	550,000
GF/GP	\$0

12. MISEP Settlement Monitor Contract Increase

Includes \$110,000 Gross (\$92,900 GF/GP) to fund the increased cost of the Settlement Monitor contract. (SBO Letter 2021-5)

Gross	\$110,000
Federal	17,100
GF/GP	\$92,900

		FY 2020-21 Recommendation
Supplemental Recommendations for FY 2020-21 Appropriations		
13. Adoption Subsidies Federal Funding Reduction		Gross (\$976,700)
Includes a reduction of \$976,700 federal funding for the adoption subsidies program for medical subsidies as these costs will no longer be supported by capped federal funding. (SBO Letter 2021-5)	Federal	(976,700)
	GF/GP	\$0
14. Technical Funding Shifts		Gross \$0
Includes technical funding shifts within various line items for a net zero funding change. (SBO Letter 2021-5)	Federal	0
	GF/GP	\$0
15. Coronavirus Relief – Chafee Foster Care Programs		Gross \$11,544,000
Appropriates available federal coronavirus relief funding of \$11.5 million for Chafee foster care programs which help foster care children transition to adulthood. (SBO Letter 2021-7)	Federal	11,544,000
	GF/GP	\$0
16. Coronavirus Relief – Promoting Safe and Stable Families Program for Foster Care Children		Gross \$1,995,000
Appropriates available federal coronavirus relief funding of \$2.0 million for a Promoting Safe and Stable Families grant to fund programs that help support the safety and permanent placement of foster care children. (SBO Letter 2021-7)	Federal	1,995,000
	GF/GP	\$0
PUBLIC ASSISTANCE		
17. Public Assistance Caseload Adjustments		Gross (\$35,857,600)
Includes a reduction of \$35.9 million Gross (\$35.5 million GF/GP) to recognize adjustments to FY 2020-21 public assistance caseloads, to include:	Federal	76,600
<ul style="list-style-type: none"> Family Independence Program: reduction of \$33.4 million Gross (\$33.5 million GF/GP) State Disability Assistance: reduction of \$1.8 million Gross (\$1.4 million GF/GP) State Supplementation: reduction of \$676,000 GF/GP (SBO Letter 2021-5) 	Restricted	(397,500)
	GF/GP	(\$35,536,700)
18. Food Assistance Program Reinvestment		FTE 10.0
Includes \$5.2 million GF/GP and authorizes 10.0 FTE positions to support penalty payments to the federal government and the implementation of a state corrective action plan intended to address high payment error rates in the Food Assistance Program. (SBO Letter 2021-5)	Gross	\$5,192,100
	GF/GP	\$5,192,100
BEHAVIORAL HEALTH SERVICES		
19. Family Support Subsidy Caseloads Adjustments		Gross (\$992,100)
Reduces \$992,100 TANF to support an estimated 4,600 family support subsidy cases. (SBO Letter 2021-5)	TANF	(992,100)
	GF/GP	\$0
20. Certified Community Behavioral Health Clinics Demonstration Program		FTE 6.0
Includes \$6.6 million Gross (\$1.2 million GF/GP) and authorizes 6.0 FTE positions, to establish 14 integrated behavioral and physical health clinics through a federal CMS demonstration program. Amount would include staffing costs for a Behavioral Health Policy and Operations office to oversee the demonstration program. Amount assumes the demonstration would begin July 1, 2021. (SBO Letter 2021-5)	Gross	\$6,555,000
	Federal	5,330,000
	GF/GP	\$1,225,000
21. Federal State Opioid Response (SOR) Grant		Gross \$36,440,900
Includes \$36.4 million federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths. (SBO Letter 2021-5)	Federal	36,440,900
	GF/GP	\$0
22. State Psychiatric Hospital Enhanced FMAP Adjustments		Gross \$0
Includes \$2.5 million GF/GP savings for adjustments to the enhanced FMAP match rate. (SBO Letter 2021-5)	Federal	2,534,300
	GF/GP	(\$2,534,300)
23. Marijuana Regulatory Fund Adjustment		Gross \$59,700
Adds \$59,700 of restricted Marijuana Regulatory Funds based on anticipated revenue collections. (SBO Letter 2021-5)	Restricted	59,700
	GF/GP	\$0

Supplemental Recommendations for FY 2020-21 Appropriations		FY 2020-21 Recommendation	
24. Coronavirus Relief – Mental Health Block Grant		Gross	\$47,969,000
Appropriates available federal coronavirus relief funding of \$48.0 million for increased mental health block grant funding. (SBO Letter 2021-7)		Federal	47,969,000
		GF/GP	\$0
25. Coronavirus Relief – Emergency Behavioral Health Grant		Gross	\$2,860,000
Appropriates available federal coronavirus relief funding of \$2.9 million for crisis intervention and other recover support services for children and adults with serious mental illness and substance use disorder (SBO Letter 2021-7)		Federal	2,860,000
		GF/GP	\$0
26. Coronavirus Relief – Substance Abuse Prevention and Treatment Block Grant		Gross	\$52,228,000
Appropriates available federal coronavirus relief funding of \$52.2 million for increased substance abuse prevention and treatment block grant funding. (SBO Letter 2021-7)		Federal	52,228,000
		GF/GP	\$0
POPULATION HEALTH			
27. Oral Health Assessment for Children		Gross	\$385,000
Includes \$385,000 GF/GP one-time funding for database development for a new oral health assessment program for children entering public school kindergarten who do not have dental insurance enacted under 2020 PA 261. (SBO Letter 2021-5)		GF/GP	\$385,000
28. Lead Abatement Grant SCHIP Adjustments		Gross	\$0
Includes net \$0 Gross fund shift of \$1.0 million from GF/GP to federal for lead abatement grant, federal Children’s Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities since FY 2016-17. (SBO Letter 2021-5)		Federal	1,048,000
		GF/GP	(\$1,048,000)
29. Population Health Non-GF/GP Funds Adjustments		FTE	18.0
Recognizes \$18.7 million Gross for federal, local, private, and state restricted funding, including (SBO Letter 2021-5):		Gross	\$18,740,200
<ul style="list-style-type: none"> \$9.4 million drug rebate revenue for AIDS Drug Assistance Program and 18.0 FTEs to administer contracts and finance; \$2.4 million federal violence prevention funds; \$4.9 million local revenue for child and adolescent health care; \$1.0 million private funds for WIC program vendor system, \$715,000 federal laboratory services grants; \$300,000 restricted EMS licensure program fee revenue. 		Federal	3,085,000
		Local	4,900,000
		Private	10,455,200
		Restricted	300,000
		GF/GP	\$0
30. Coronavirus Relief – Immunization and Vaccines		Gross	\$4,121,400
Appropriates available federal coronavirus relief funding of \$4.1 million for COVID immunization and vaccine grant support from the Centers for Disease Control and Prevention (CDC). (SBO Letter 2021-7)		Federal	4,121,400
		GF/GP	\$0
AGING AND ADULT SERVICES AGENCY			
31. Aging Community and Nutrition Services		Gross	\$4,500,000
Recognizes \$4.5 million of additional federal funds for senior programs including \$1.0 million for senior community services and \$3.5 million for senior nutrition services including congregate meals and home-delivered meals. (SBO Letter 2021-5)		Federal	4,500,000
		GF/GP	\$0
32. Coronavirus Relief – Senior Meals and Nutrition		Gross	\$5,303,700
Appropriates available federal coronavirus relief funding of \$5.3 million for senior nutrition services including congregate meals and home-delivered meals. (SBO Letter 2021-7)		Federal	5,303,700
		GF/GP	\$0
MEDICAL SERVICES			
33. Tribal Pharmacy Administration		Gross	\$1,500,000
Includes \$1.5 million Gross (\$0 GF/GP) for IT changes to administer recent program changes to the tribal pharmacy rates. Private funding would come from revenues collected by the tribal health providers. (SBO Letter 2021-5)		Federal	1,350,000
		Private	150,000
		GF/GP	\$0

Supplemental Recommendations for FY 2020-21 Appropriations

**FY 2020-21
Recommendation**

34. Technical Funding Shifts	Gross	\$0
Includes technical funding shifts within Medical Services Administration line items for a net zero funding change. (SBO Letter 2021-5)	Federal	0
	GF/GP	\$0
35. Health and Safety Fund	Gross	\$0
Revises down anticipated Health and Safety Fund revenues by \$1.4 million and offsets with a like amount of GF/GP. Funding is used to support Disproportionate Share Hospital (DSH) payments. (SBO Letter 2021-5)	Restricted	(1,389,900)
	GF/GP	\$1,389,900
36. Civil Monetary Penalty Revenues	Gross	\$2,000,000
Revises up anticipated Civil Monetary Penalty revenues by \$2.0 million and offsets with a like amount of GF/GP. Funding is uses within the Long-Term Care Services line. (SBO Letter 2021-5)	Private	2,000,000
	GF/GP	\$0
37. Medicaid Pharmaceutical Rebates	Gross	\$42,000,000
Increases \$42.0 million federal to process Medicaid pharmaceutical claims before federal pharmaceutical rebates are incurred. (SBO Letter 2021-5)	Federal	42,000,000
	GF/GP	\$0
38. Medicaid Tribal Pharmaceutical Payments	Gross	\$5,500,000
Increases \$5.5 million Gross (\$0 GF/GP) to support reimbursement increases to tribal health providers for pharmaceutical services provided to non-tribal Medicaid recipients. Private funding would come from revenues collected by the tribal health providers. (SBO Letter 2021-5)	Federal	5,000,000
	Private	500,000
	GF/GP	\$0