

**Summary: Executive Budget Recommendation
for Fiscal Year 2023-24
HEALTH AND HUMAN SERVICES**



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	FY 2022-23 Year-to-Date as of 2/8/23	FY 2023-24 Executive	Difference: FY 2023-24 vs. FY 2022-23	
			Amount	%
IDG/IDT	\$14,696,000	\$14,676,900	(\$19,100)	(0.1)
Federal	23,693,049,100	25,803,271,500	2,110,222,400	8.9
Local	170,002,300	154,718,100	(15,284,200)	(9.0)
Private	185,596,800	190,660,700	5,063,900	2.7
Restricted	3,132,592,800	3,050,326,400	(82,266,400)	(2.6)
GF/GP	6,242,365,800	6,497,737,000	255,371,200	4.1
Gross	\$33,438,302,800	\$35,711,390,600	\$2,273,087,800	6.8
FTEs	15,690.5	15,834.5	144.0	0.9

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (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), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations	FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
MEDICAID – GENERAL		
1. Traditional Medicaid Cost Adjustments	Gross \$16,581,775,400	\$74,396,800
Includes an increase of \$74.4 million Gross (reduction of \$28.8 million GF/GP) to recognize caseload, utilization, and inflation adjustments, and traditional FMAP cost-sharing adjustments from FMAP reducing from 64.71% to 64.94%, plus 1 quarter of 1.5% enhanced FMAP provided under the federal Consolidated Appropriations Act, 2023, for medical and behavioral health services in the traditional Medicaid program. Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 4.9%.	Federal 10,703,491,400	128,783,900
	Local 38,994,800	(16,849,000)
	Private 13,748,800	(14,400)
	Restricted 2,339,439,900	(8,739,600)
	GF/GP \$3,486,100,500	(\$28,784,100)
2. Healthy Michigan Plan Cost Adjustments	Gross \$5,799,632,800	\$329,175,400
Includes an increase of \$329.2 million Gross (\$66.5 million GF/GP) to recognize caseload, utilization, and inflation adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 5.9%.	Federal 5,211,580,900	296,257,800
	Local 2,021,400	0
	Private 1,381,600	0
	Restricted 486,516,000	(33,608,300)
	GF/GP \$98,132,900	\$66,525,900
3. Actuarial Soundness	Gross NA	\$346,629,200
Includes \$346.6 million Gross (\$92.5 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), 2.5% for Medicaid Health plans, 3.1% for Program of All-includes Care for the Elderly (PACE), 3.0% for home- and community-based services, 2.0% for Integrated Care Organizations (MI Health Link), and 1.0% for Healthy Kids Dental.	Federal NA	254,134,200
	GF/GP NA	\$92,495,000

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations	FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
4. Direct Care Wage Increase	Gross \$405,058,900	\$210,112,500
Includes \$210.1 million Gross (\$74.5 million GF/GP) to support a \$1.50 per hour wage increase for direct care workers. Current year funding reflects recent appropriations for the \$2.35 hourly wage increase. Sections 231 and 1644 are related boilerplate.	Federal 259,091,400	135,617,000
	GF/GP \$145,967,500	\$74,495,500
5. Long-Term Care: Non-Clinical Staff Wage Increase	Gross \$1,792,051,000	\$90,000,000
Includes \$90.0 million Gross (\$31.7 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$3.85, amount would reflect the current \$2.35 direct care wage increase, plus the additional \$1.50 proposed for the current cohort of direct care workers.	Federal 1,198,936,400	58,277,700
	Local 6,618,800	0
	Private 6,100,000	0
	Restricted 330,776,300	0
	GF/GP \$249,619,500	\$31,722,300
DEPARTMENT ADMINISTRATION & INFORMATION TECHNOLOGY		
6. Comprehensive Child Welfare Information System (CCWIS)	FTE 0.0	11.0
Includes \$12.6 million Gross (\$7.5 million GF/GP), of which \$6.9 million Gross (\$3.5 million GF/GP) is on a one-time basis and authorizes 11.0 FTE positions (6.0 FTEs on a one-time basis). CCWIS will replace the Michigan Statewide Child Welfare Information System (MiSACWIS) with the implementation of 9 cloud-based modules over the course of 3 to 5 years. Currently, 1 module is complete and 3 modules are in development.	Gross \$3,373,200	\$12,577,000
	Federal 870,300	5,041,600
	GF/GP \$2,502,900	\$7,535,400
7. Relational Data Computer Usage Costs	Gross NA	\$3,255,800
Includes \$3.3 million Gross (\$1.2 million GF/GP) to support DTMB data storage and processing for child welfare-related information regarding family data for each case. Increased costs are correlated with caseloads.	Federal NA	2,056,000
	GF/GP NA	\$1,199,800
8. Information Technology Inflationary Costs	Gross NA	\$6,384,200
Includes \$6.4 million Gross (\$5.0 million GF/GP) for inflation-related cost increases for IT contracts with: Dewpoint, Guidesoft, Tibco, CGI Technologies and Solutions, Deloitte Consulting, Optum Government Solutions, Gainwell, Accenture, SourceHOV, Acro Service Corp, Crystal Lighting, and Altarum Institute.	Federal NA	1,412,600
	GF/GP NA	\$4,971,600
9. Property Management – Lease Cancellation Cost Reductions	Gross \$64,701,200	(\$2,134,600)
Includes a reduction of \$2.1 million Gross (\$849,100 GF/GP) to recognize a reduction in property costs related to multiple lease cancellations in Kalamazoo, Lansing, and Okemos.	IDG/IDT 599,100	0
	TANF 10,667,900	(165,600)
	Federal 22,148,000	(1,119,900)
	Private 36,700	0
	Restricted 497,400	0
	GF/GP \$30,752,100	(\$849,100)
10. Economic Adjustments	Gross NA	(\$8,508,000)
Reflects a net cost reduction of \$8.5 million Gross (\$4.2 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT NA	(19,100)
	TANF NA	(1,150,000)
	Federal NA	(3,018,000)
	Local NA	(9,100)
	Private NA	(56,000)
	Restricted NA	(64,100)
	GF/GP NA	(\$4,191,700)
COMMUNITY SERVICES AND OUTREACH		
11. Diaper Assistance TANF Swap	Gross \$4,404,400	\$0
Includes \$4.4 million GF/GP as TANF replacement to allow administrative funds to be given to non-profits checking program eligibility prior to distribution.	TANF 4,404,400	(4,404,400)
	GF/GP \$0	\$4,404,400

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
12. Crime Victim Rights GF/GP Funding	FTE	17.0	0.0
Includes an increase of \$7.9 million GF/GP for crime victims support programs. The additional GF/GP would supplement recent Victims of Crime Act (VOCA) awards and Michigan Crime Victim Rights Fund (CVRF) to support the obligations related to the programs. NOTE: The Crime Victim Rights program would also be transferred from Community Services and Outreach Unit to Health Policy and Initiatives Unit.	Gross	\$121,597,000	\$4,400,000
	Private	103,046,200	(3,500,000)
	Restricted	18,448,200	0
	GF/GP	\$102,600	\$7,900,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
13. Child Welfare Caseloads Adjustments	Gross	\$794,170,400	(\$31,086,700)
Includes a reduction of \$31.1 million Gross (\$22.8 million GF/GP) for FY 2023-24 based on current caseload projections as follows:	TANF	79,698,900	(10,091,100)
• Adoption subsidies cases reduced from 20,978 to 20,538	Federal	197,740,400	5,165,500
• Foster Care cases reduced from 7,924 to 6,697	Local	38,258,900	(2,112,000)
• Guardianship Assistance Program cases reduced from 1,223 to 1,152	Private	2,700,000	(1,200,000)
	Restricted	2,000,000	0
Amount includes \$499,500 GF/GP savings from changes in the FY 2023-24 FMAP up to 64.94% and with a first quarter, pandemic-related enhancement of 1.5% of additional E-FMAP.	GF/GP	\$473,772,200	(\$22,849,100)
14. Child Care Fund – Community-Based State Reimbursement	Gross	NA	\$31,534,600
Includes \$31.5 million GF/GP to implement a recommendation from the Task Force on Juvenile Justice Reform to statutorily increase the state Child Care Fund reimbursement rate from 50% to 75% for community-based juvenile justice services.	GF/GP	NA	\$31,534,600
15. Bay Pines and Shawono Center	FTE	94.0	12.0
Includes \$1.3 million Gross (\$643,600 GF/GP) and authorization for an additional 12.0 FTEs to provide services at Bay Pines and Shawono juvenile justice facilities based on a recommendation from the Task Force on Juvenile Justice Reform.	Gross	\$11,749,500	\$1,287,200
	Federal	448,200	643,600
	Local	5,581,000	0
	GF/GP	\$5,720,300	\$643,600
16. Foster Family Maintenance Payment Increase	Gross	NA	\$19,278,700
Includes \$19.3 million Gross (\$7.8 million GF/GP) to fund an 8% increase to daily maintenance payments for foster parents, adoptive parents, and juvenile guardians. The increase would put Michigan's daily maintenance payment above the national average.	TANF	NA	2,834,600
	Federal	NA	7,875,000
	Local	NA	749,700
	GF/GP	NA	\$7,819,400
17. Foster Care Respite Services	Gross	NA	\$15,095,500
Includes \$15.1 million GF/GP to implement a statewide foster care respite network to provide temporary, occasional relief to existing foster parents with the goal of keep existing foster homes open. Funding would be used for daily rate payments to licensed and closed foster homes for short-term respite services as well as for the creation of six specialized caregiver support contracts.	GF/GP	NA	\$15,095,500
18. Foster Care Education Pilot Program	Gross	\$0	\$1,744,100
Includes \$1.7 million in federal funding to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year.	Federal	0	\$1,744,100
	GF/GP	\$0	\$0
19. Elimination of Child Welfare Programs	Gross	\$750,000	(\$750,000)
Backs out funding for the Child Legal Representation pilot program (\$500,000 GF/GP) and the Adoptive Families Support Network program (\$250,000 GF/GP).	GF/GP	\$750,000	(\$750,000)

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>	<u>FY 2022-23 YTD (as of 2/8/23)</u>	<u>Executive Change from YTD</u>
PUBLIC ASSISTANCE AND LOCAL OFFICE OPERATIONS		
20. Public Assistance Caseload Adjustments	Gross \$4,304,082,300	\$1,104,042,500
Includes an increase of \$1.1 billion Gross (\$12.4 million GF/GP) to support estimated public assistance program caseloads for FY 2022-23 and FY 2023-24. Increased costs are largely driven by an increase in federally-funded Supplemental Nutrition Assistance Program (SNAP) revenues for Food Assistance Program (FAP) cases. Case adjustments include:	TANF 45,992,300	6,479,200
	Federal 4,183,474,600	1,085,289,800
	Restricted 14,643,000	(109,900)
	GF/GP \$59,972,400	\$12,383,400
<ul style="list-style-type: none"> Family Independence Program (FIP): Increase of \$11.9 million Gross (\$5.5 million GF/GP) Food Assistance Program (FAP): Increase of \$1.1 billion Gross (\$0 GF/GP) State Disability Assistance (SDA): Reduction of \$354,200 Gross (\$256,500 GF/GP) State Supplementation (SSI): Increase of \$7.2 million GF/GP. 		
21. Local Office Staff – Adult Protective Services	FTE 4,430.5	47.0
Includes \$6.3 million Gross (\$4.6 million GF/GP) and authorizes 47.0 FTE positions for Adult Protective Services operations as part of an effort to improve core department services.	Gross \$487,126,200	\$6,347,600
	IDG 6,818,900	0
	TANF 53,549,500	0
	Federal 213,013,100	1,731,600
	GF/GP \$213,744,700	\$4,616,000
22. Electronic Benefit Transfer (EBT) – Farm Bill Expungement	Gross \$7,989,000	\$510,000
Includes \$510,000 Gross (\$255,000 GF/GP) to support a federal requirement to notify households prior to food assistance expungement. This requirement is a result of a modification to the federal Farm Bill providing for expungements at 9 months.	TANF 1,016,000	0
	Federal 2,129,100	255,000
	GF/GP \$4,843,900	\$255,000
BEHAVIORAL HEALTH		
23. Behavioral Health Recruiting and Retention	Gross NA	\$5,000,000
Includes \$5.0 million GF/GP for recruitment and retention programs for behavioral health professionals.	GF/GP NA	\$5,000,000
24. Office of Recipient Rights	FTE 21.0	3.0
Adds \$327,300 GF/GP and authorizes 3.0 FTE positions to increase the work capacity of the Office Recipient Rights, which receives and investigates Mental Health Code complaints as well as monitors program implementation and training.	Gross \$2,920,100	\$327,300
	GF/GP \$2,920,100	\$327,300
25. State Hospital Occupational Health Clinics	Gross NA	\$2,206,800
Includes \$2.2 million GF/GP to establish permanent occupational health clinics in each of the 5 state-operated psychiatric hospitals and centers. The occupational health clinics would manage occupational health issues including workplace safety, infectious disease control, and quality control.	GF/GP NA	\$2,206,800
26. First Responder Mental Health – One-Time	Gross \$10,000,000	(\$5,000,000)
Includes \$5.0 million GF/GP, on a one-time basis, for mental health services to support first responders suffering from post-traumatic stress syndrome and other mental health conditions. Program also received \$10.0 million GF/GP in FY 2022-23, on a one-time basis.	GF/GP \$10,000,000	(\$5,000,000)
27. Multicultural Integration – One-Time	Gross \$8,600,000	\$0
Includes \$8.6 million GF/GP, on a one-time basis, to multicultural integration agencies that provide physical and behavioral health services to multicultural populations. Program also received \$8.6 million GF/GP in FY 2022-23, on a one-time basis.	GF/GP \$8,600,000	\$0

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations	FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
PUBLIC HEALTH		
28. Michigan Coronavirus Task Force on Racial Disparity Initiatives	FTE	NA
Includes \$58.0 Gross (\$52.5 million GF/GP) and authorizes 15.0 FTE positions to support recommendations of the task force including: neighborhood health grants, mobile health units, community zone sites, IT and data collection improvements, staff for DEI training within DHHS, and sickle cell anemia programing. Amount includes \$17.0 million Gross (\$12.0 million GF/GP) on a one-time basis. Section 1159. is related boilerplate.	Gross	NA
	Federal	NA
	GF/GP	NA
		15.0
		\$57,977,200
		5,527,000
		\$52,450,200
29. Healthy Homes Expansion	FTE	21.0
Increases healthy homes funding by \$22.5 million GF/GP and adds authorization for 45.0 FTE positions to support lead investigations and abatements, community-based testing, expanded lab capacity, and water distribution needs.	Gross	\$32,799,400
	Federal	19,606,500
	Private	77,800
	Restricted	723,700
	GF/GP	\$12,391,400
		45.0
		\$22,500,000
		0
		0
		0
		\$22,500,000
30. Drinking Water Projects – One-Time	Gross	\$0
Includes \$100.0 million GF/GP, on a one-time basis, to replace lead-reducing filters, lead-containing faucets, and other plumbing in more than one million households at risk of lead exposure from drinking water, and includes administrative and public health data sharing collection.	GF/GP	\$0
		\$100,000,000
		\$100,000,000
31. Newborn Screening Fees	Gross	\$19,298,900
Recognizes increased newborn screening fee revenue of \$1.9 million from automatic fee adjustment for inflation pursuant to statute, for screening of newborns for genetic conditions.	Restricted	19,298,900
	GF/GP	\$0
		\$1,912,500
		1,912,500
		\$0
32. Essential Local Public Health Services Increase	Gross	\$51,419,300
Adds \$30.0 million GF/GP to provide local health departments ongoing support with statutorily-mandated essential local public health services.	Local	5,150,000
	GF/GP	\$46,269,300
		\$30,000,000
		0
		\$30,000,000
33. Community Violence Prevention Initiatives	FTE	6.9
Adds a total of \$10.8 million Gross (\$5.8 million GF/GP) to increase ongoing violence prevention funding by \$800,000 GF/GP to establish an Office of Community Violence Services and to include one-time funding of \$10.0 million Gross (\$5.0 million GF/GP) to reduce firearm related injuries and fatalities and to support community-based organizations that provide community violence intervention services. Includes additional authorization for 2.0 FTE positions.	Gross	\$12,724,000
	Federal	12,591,100
	Private	0
	GF/GP	\$132,900
		2.0
		\$10,800,000
		0
		5,000,000
		\$5,800,000
34. Perinatal Quality Collaboratives	FTE	15.0
Includes \$10.0 million GF/GP and authorizes 2.0 FTE positions for grants to local Michigan Perinatal Quality Collaboratives.	Gross	\$36,861,800
	Federal	15,828,300
	Restricted	50,000
	GF/GP	\$20,983,500
		2.0
		\$10,000,000
		0
		0
		\$10,000,000
35. Population Health – GF/GP Funds Adjustments Reductions	Gross	NA
Recognizes reduction of \$170,000 GF/GP funding, including:	GF/GP	NA
<ul style="list-style-type: none"> \$100,000 GF/GP reduction to eliminate funding for public information on human embryo constitution provisions. Proposes the removal of related boilerplate section 1148. \$70,000 GF/GP funding reduction on rare disease panel grant. Proposes the removal of related boilerplate section 1240. 		(\$170,000)
		(\$170,000)

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations	FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD	
36. Population Health – Non-GF/GP Funds Adjustments	Gross	NA	\$2,729,300
Recognizes increase of \$2.7 million federal, private, and restricted funding, including:	Federal	NA	1,000,000
	Private	NA	1,250,000
• \$1.0 million federal funds for AIDS prevention, education, and treatment.	Restricted	NA	479,300
	GF/GP	NA	\$0
• \$1.0 million private funds for healthy homes.			
• \$479,300 state restricted increase from Michigan Health Initiative Fund revenues.			
• \$250,000 private funds for chronic disease prevention.			
HEALTH SERVICES			
37. Medicaid Ambulance Rates	Gross	NA	\$13,914,600
Adds \$13.9 million Gross (\$3.5 million GF/GP) to keep Medicaid ambulance rates aligned with a recent Medicare ambulance rate increase.	Federal	NA	10,463,800
	GF/GP	NA	\$3,450,800
38. Medicaid Dental Redesign Rates	Gross	\$30,000,000	\$80,000,000
Adds \$80.0 million federal in Medicaid matching funds related to \$30.0 million GF/GP previously included for the costs of future Medicaid adult dental redesign recommendations.	Federal	0	80,000,000
	GF/GP	\$30,000,000	\$0
39. Eliminate Medicaid 5-Year Waiting Period for Legal Residents	Gross	\$0	\$32,125,200
Includes \$32.1 million Gross (\$6.4 million GF/GP) to support the elimination of a 5-year eligibility waiting period for legal residents.	Federal	0	25,725,200
	GF/GP	\$0	\$6,400,000
40. CenteringPregnancy	Gross	\$0	\$10,000,000
Includes \$10.0 million Gross (\$5.0 million GF/GP) to support grants to CenteringPregnancy sites that provide group session for pregnancy services and resources.	Federal	0	5,000,000
	GF/GP	\$0	\$5,000,000
41. Hospital Maternal Health Incentives	Gross	\$0	\$10,000,000
Includes \$10.0 million GF/GP for hospital maternal health incentives through the Alliance for Innovation in Maternal Health (AIM) including focusing on pregnancy-associated injury and death, racial disparities, and substance use disorder.	GF/GP	\$0	\$10,000,000
42. Plan First!	Gross	\$0	\$6,200,000
Includes \$6.2 million Gross (\$1.0 million GF/GP) to expand eligibility for family-planning services to cases up to 200% of the Federal Poverty Level.	Federal	0	5,199,300
	GF/GP	\$0	\$1,000,700
43. Children’s Special Health Care Services	Gross	NA	\$5,200,000
Includes \$5.2 million Gross (\$3.7 million GF/GP) to support a targeted case management method of coordination of care for CSHCS recipients, and to expand the age of eligibility for services to 26.	Federal	NA	1,525,400
	GF/GP	NA	\$3,674,600
44. Van Andel Institute Grant – CSHCS	Gross	\$1,000,000	(\$1,000,000)
Eliminates \$1.0 million GF/GP for a biomedical research and science education grant, as appropriated in Sec. 1363.	GF/GP	\$1,000,000	(\$1,000,000)
45. Medicaid Professional Services Rate Increase	Gross	NA	\$73,800,000
Includes \$73.8 million Gross (\$19.7 million GF/GP) to increase Medicaid reimbursement rates by 5% for professional services, such as: physician services, podiatry services, chiropractic services, and vision and hearing services.	Federal	NA	54,066,700
	GF/GP	NA	\$19,733,300
46. Medicaid Laboratory Services Rate Increase	Gross	NA	\$12,700,000
Includes \$12.7 million Gross (\$3.4 million GF/GP) to increase Medicaid reimbursement rates for laboratory services by 8% including those provided in hospitals, local clinics, and other outpatient facilities.	Federal	NA	9,304,200
	GF/GP	NA	\$3,395,800

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/8/23)	Executive Change from YTD
47. Medicaid Anesthesia Rate Increase	Gross	NA	\$2,900,000
Includes \$2.9 million Gross (\$700,100 GF/GP) to increase Medicaid reimbursement rates for anesthesia services by 5%.	Federal	NA	2,199,900
	GF/GP	NA	\$700,100
48. Medicaid Durable Medical Equipment Rate Increase	Gross	NA	\$18,900,000
Includes \$18.9 million Gross (\$5.6 million GF/GP) to increase Medicaid reimbursement rates by 8% for the purchase of durable medical equipment, such as wheelchairs, crutches, and other essential items.	Federal	NA	13,305,800
	GF/GP	NA	\$5,594,200
49. Medicaid Home Health Agency Rate Increase	Gross	NA	\$1,700,000
Includes \$1.7 million Gross (\$440,400 GF/GP) to increase Medicaid fee-for-service reimbursement rates by 10% for home-based skilled nursing care, physical therapy, and nurse's aide services.	Federal	NA	1,259,600
	GF/GP	NA	\$440,400
50. Medicaid Traumatic Brain Injury Rate Increase	Gross	NA	\$9,500,000
Includes \$9.5 million Gross (\$2.5 million GF/GP) to increase Medicaid reimbursement rates by 260% for daily residential and therapeutic services for treatment of patients of traumatic brain injury.	Federal	NA	6,954,900
	GF/GP	NA	\$2,545,100
51. Medicaid Recuperative Care Benefit	Gross	\$0	\$4,960,000
Includes \$5.0 million Gross (\$2.2 million GF/GP) to provide for a transitional service to homeless Medicaid recipients to assist as they exit in-patient services.	Federal	0	2,802,200
	GF/GP	\$0	\$2,157,800
52. Medicare Buy-In Compliance	Gross	NA	\$11,131,600
Includes \$11.1 million GF/GP to comply with the federally mandated inclusion of Medicare Part B premium reimbursements for Medicaid recipients that are eligible for both Medicare and traditional Medicaid (dual-eligible).	GF/GP	NA	\$11,131,600
53. Program of All-Inclusive Care for the Elderly – Site Expansion	Gross	\$227,102,100	\$2,614,000
Includes \$2.6 million Gross (\$906,500 GF/GP) to both increase the enrollment cap at the Kent County PACE site and open an additional site in Alpena by the end of FY 2023-24.	Federal	146,957,800	1,707,500
	GF/GP	\$80,144,300	\$906,500
54. Transitional Costs for Medicaid Nursing Home Reimbursement Change – One-Time	Gross	\$0	\$110,000,000
Includes \$110.0 million Gross (\$102.0 million GF/GP) on a one-time basis in temporary financial assistance for nursing facilities as Medicaid reimbursements move away from a cost settlement reimbursement model to more of an acuity-based model. Amount includes \$10.0 million Gross (\$2.0 million GF/GP) for IT changes related to the reimbursement model change.	Federal	0	8,000,000
	GF/GP	\$0	\$102,000,000
55. Medicaid Restricted Fund Adjustments	Gross	NA	\$0
Reduces a net \$2.5 million GF/GP as a net-zero replacement of restricted revenue authorization to recognize a decrease in revenues from the Medicaid Benefits Trust Fund (\$36.1 million) and Healthy Michigan Fund (\$4.9 million), and recognize an increase in revenues from the Insurance Providers Assessment (\$43.4 million).	Restricted	NA	2,447,300
	GF/GP	NA	(\$2,447,300)
ONE-TIME APPROPRIATIONS			
56. Remove FY 2022-23 One-Time Appropriations	FTE	6.0	(6.0)
Removes one-time appropriations included in FY 2022-23, including one-time appropriations within 194 PA 2022 (SB 844). Any of this funding that is retained into FY 2023-24 is noted elsewhere.	Gross	\$555,543,300	(\$555,543,300)
	Federal	59,706,100	(59,706,100)
	GF/GP	\$495,837,200	(\$495,837,200)

Major Boilerplate Changes from FY 2022-23

Executive Boilerplate Deletions

The Executive Budget Recommendation deletes a significant amount of boilerplate language included in the FY 2022-23 budget. The list below includes major changes to boilerplate and is not a comprehensive list of all sections proposed to be deleted.

GENERAL SECTIONS

Sec. 210. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$20 million, state restricted authorization by up to \$20 million, local authorization by up to \$5 million, and private authorization by up to \$2 million; prohibits increasing TANF authorization through the legislative contingency transfer process. Revises to increase maximum amounts of contingency authorizations for a total of up to \$525 million.

Sec. 211. Access to State and Local Services – NEW

Prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion; to restrict or impede community access to government programs; or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers.

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. 218. Basic Health Services and Report – REVISED

Directs DHHS to provide an annual list of proposed basic health services by October 1 to the Legislature as required under Part 23 of the Public Health Code. Revises to list out services including immunizations, STD control, newborn screenings, emergency management plan, and prenatal care.

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. 237. Conditions on Funding Regarding COVID Information and Requirements – DELETED

Prohibits DHHS from requiring proof of individual COVID-19 vaccination to access state facilities or services, creating a COVID vaccine passport, or providing COVID vaccine status of an individual to any entity or person without the individual's consent. Also prohibits DHHS from requiring proof of COVID vaccination as a condition of certain employment or subjecting an individual to negative employment consequences because of COVID vaccine status, and requires exemptions to any COVID vaccine policy required to be established due to a federal mandate.

Sec. 239. Medicaid Reimbursement for Telemedicine – DELETED

Requires DHHS to reimburse Medicaid telemedicine services the same as if the services involved face-to-face contact between the provider and patient; this applies to the non-facility component of the reimbursement rate.

Sec. 253. Tribal Access to Program and Grants – NEW

Requires DHHS to ensure federally recognized tribes are able to apply for services, programs, grants, and contracts.

Sec. 258. 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; and shall provide a report by March 1.

Sec. 288. Services and Administrative Limitations for New Contracts – DELETED

Requires that after the first year of a contract, no less than 90% of a contract supported solely from state funds for a specific entity to provide services to individuals be expended for those services; allows exceptions; and requires a report by September 30 on the rationale for all exceptions and the number of contracts terminated due to violations, unless no exceptions or terminations were made.

Sec. 299. Request for Proposal for Contract – DELETED

Prohibits DHHS from issuing a request for proposal (RFP) for a contract in excess of \$5 million, without first considering issuing a request for information (RFI) or a request for qualification (RFQ); DTMB must be notified of evaluation of use of RFI or RFQ; requires that all vendors receive detailed notices of RFP results; and requires report by September 30.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Sec. 514. Foster Care Respite Program – NEW

Requires the department to establish a statewide respite care services network to provide support to licensed foster parents and unlicensed relative caregivers.

Major Boilerplate Changes from FY 2022-23

Sec. 522. Fostering Futures Scholarship – REVISED

Allocates funds for children in foster care as a result of abuse and neglect to attend college or a career technical educational institution; requires report. Revises by eliminating report requirement.

Sec. 569. Private Agency Adoption Completion Payment Rate – DELETED

Requires DHHS to use the date of adoption petition acceptance by the court for determining the reimbursement rate for private child placing agencies that complete adoptions.

PUBLIC ASSISTANCE

Sec. 603. Public Assistance Benefits Notification – DELETED

Requires the department to notify public assistance benefits recipients prior to a reduction in benefits.

Sec. 678. FIP Young Child Supplement – REVISED

Provides for a one-time, lump-sum distribution of \$600 for each child under the age of 6 to each applicable FIP case. Revises to provide for a \$50 per-month, per-child under the age of 6 distribution to each applicable FIP case and annualizes the supplemental benefit.

BEHAVIORAL HEALTH

Sec. 908. Uniform Community Mental Health Credentialing – DELETED

States that contracts with PIHPs and CMHSPs must work toward implementing section 206b of the Mental Health Code on uniform community mental health services credentialing.

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 Behavioral 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. 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. 1061. Caro Regional Mental Health Center – DELETED

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction of a new or updated facility at the current location instead of a new location.

POPULATION HEALTH

Sec. 1142. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – DELETED

Requires DHHS to find methods to increase retention of Michigan medical school students who complete their residency requirements to remain within the state and serve as primary care physicians.

Sec. 1146. Bone Marrow Donor Program – DELETED

Allocates \$250,000 to Versiti Blood Center for the match registry of the national marrow donor program.

Sec. 1147. Blood Bank Programs – REVISED

Allocates \$500,000 to Versiti Blood Center for cord blood bank. Revises by including additional \$250,000 from proposed deleted section 1146 to the cord blood bank program.

Sec. 1182. Lead Abatement of Homes – DELETED

Allocates no less than \$7.3 million GF/GP and \$18.3 million federal funds for lead abatement of home. Additionally, requires DHHS to report a funding allocation schedule, expenditures, revenues received, a description of program elements number of housing units abated of lead-based paint hazards, and description of program accomplishments and progress by April 1st.

Major Boilerplate Changes from FY 2022-23

Sec. 1222. Essential Local Public Health Services – REVISED

Directs that (1) essential local public health services funds be prospectively allocated to local public health departments for nine state and local cost-shared services, some provided in consultation with Department of Agriculture and Rural Development and Department of Environment, Great Lakes, and Energy;(2) local public health departments are held to contractual standards for the nine state and local-cost shared services;(3) distributions must be made only to counties that maintain local spending of at least the amount expended in 1992-93; (4) if a local health officer has an emergency order under MCL 333.2453, funds appropriated must not be distributed by the department to that local entity; (5) requires a report by February 1; (6) requires state distribution formula to be used; (7) from the funds allocated for essential local public health services, allocations shall not be less than the previous fiscal year. Revises by deleting subsection (2), (4), (6), and (7).

Sec. 1301. Pregnancy Planning, Prenatal, and Maternal and Child Health Programs Report – DELETED

Requires a report for funding allocations, breakdown of expenditures, and number of women, children, and adolescents served. The report is required by April 1st. Additionally, DHHS must ensure the distribution of funds takes into account the needs of rural communities, which is defined as a county, city, village, or township with a population of 30,000 or less.

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

DHHS is unable to use state restricted or GF/GP funds appropriated in pregnancy prevention program or family planning local agreements for abortion counseling, referrals, or services.

Sec. 1312. Prenatal Care and Premature Birth Avoidance Grant Allocation – REVISED

Allocates \$1.0 million as a grant to fulfill contract obligations between DHHS and a federal Healthy Start Program located in a county with a population between 600,000 and 700,000. Eligibility for the program funding requires partnership between various health agencies and use a social impact bonding strategy to support underserved populations for prenatal care and premature birth avoidance. Revises by including allocation of \$1.0 million through a competitive process for grants to improve and reduce infant death rates and negative maternal outcomes.

HEALTH SERVICES

Sec. 1615. Encounter Claims Data – DELETED

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

Sec. 1616. Community Health Workers – DELETED

Requires DHHS to seek federal authority to enroll and recognized Community Health Workers as Medicaid providers; seek federal matching funds for services; requires any expansion be geographically broad-based, evidence-based, and commensurate with applicable training; details the extent of the authority request; and requires a report.

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. 1875. Prior Authorization for Certain Drugs – DELETED

Does not allow DHHS to subject Medicaid prescription drugs to prior authorization if they were either carved out or not subject to prior authorization procedures as of January 22, 2021 or is an orally administered treatment for Duchenne Muscular Dystrophy, defines “prior authorization”.

INFORMATION TECHNOLOGY

Sec. 1907. IT Contract Costs – DELETED

Requires the department to report annually on the cumulative spending by information technology contractual services and project.

Supplemental Recommendations for FY 2022-23 Appropriations

**FY 2022-23
Recommendation**

1. Traditional Medicaid Cost Adjustments

Includes a net-increase of \$179.9 million Gross (reduction of \$560.7 million GF/GP) for traditional Medicaid caseload, cost, utilization, and financing adjustments. Adjustment includes \$670.9 million in GF/GP savings from the continuation of enhanced FMAP of 6.2% in quarters 1 and 2, 5.0% in quarter 3, and 2.5% in quarter 4. Gross increase is primarily associated with revising the assumed eligibility redetermination date from October 1, 2022 to April 1, 2023.

	Gross	\$179,859,100
Federal		934,923,600
Local		(12,705,500)
Private		(984,600)
Restricted		(180,653,700)
GF/GP		(\$560,720,700)

Supplemental Recommendations for FY 2022-23 Appropriations

**FY 2022-23
Recommendation**

2. Healthy Michigan Plan (HMP) Cost Adjustments

Includes an increase of \$714.2 million Gross (\$71.4 million GF/GP) to Healthy Michigan Plan caseload, cost, and utilization adjustments. Increase is primarily associated with revising the assumed eligibility redetermination date from October 1, 2022 to April 1, 2023.

Gross	\$714,210,000
Federal	642,788,900
GF/GP	\$71,421,100

3. Special Medicaid Payment Cost Adjustments

Reduces \$135.8 million Gross (\$11.6 million GF/GP) in special Medicaid payment cost adjustments, including provider tax funded supplemental Medicaid payments and physician and dental adjuster payments.

Gross	(\$135,837,700)
Federal	(75,801,000)
Local	2,974,600
Private	2,425,600
Restricted	(53,879,800)
GF/GP	(\$11,557,100)

4. Medicaid Electronic Visit Verification

Includes \$14.2 million GF/GP from federal financial FMAP penalties from noncompliance with electronic visit verification implementation requirements.

Gross	\$0
Federal	(14,215,300)
GF/GP	\$14,215,300

5. Child Welfare Caseloads Adjustments

Includes a reduction of \$25.3 million Gross (\$13.5 million GF/GP) for FY 2022-23 based on current caseload projections as follows:

- Adoption subsidies cases increased from 20,978 to 21,083.
- Foster Care cases reduced from 7,924 to 6,680.
- Guardianship Assistance Program cases reduced from 1,223 to 1,152.

Gross	(\$25,291,600)
TANF	(8,623,300)
Federal	6,791,600
Local	(8,744,400)
Private	(1,200,000)
GF/GP	(\$13,515,500)

6. Child Welfare Enhanced FMAP Adjustments

Includes \$12.2 million GF/GP savings from the continuation of enhanced FMAP of 6.2% in quarters 1 and 2, 5.0% in quarter 3, and 2.5% in quarter 4. GF/GP savings are offset with a like amount of federal E-FMAP reimbursements.

Gross	\$0
Federal	12,218,800
GF/GP	(\$12,218,800)

7. Foster care Education Pilot Program

Includes \$1.7 million in federal funding to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year.

Gross	\$1,744,100
Federal	1,744,100
GF/GP	\$0

8. Public Assistance Caseload Adjustments

Includes \$773.5 million Gross (\$8.8 million GF/GP) for public assistance caseload adjustments. In particular, the Food Assistance Program is adjusted by \$762.7 million federal.

Gross	\$773,475,700
TANF	2,085,600
Federal	762,737,400
Restricted	(153,000)
GF/GP	\$8,805,700

9. Behavioral Health Federal Funding Adjustments

Adds \$16.4 million in federal funding based on available federal matching funds for the Michigan Crisis and Access Line (MiCAL) (\$12.4 million) and additional federal mental health block grant funding (\$4.0 million).

Gross	\$16,353,100
Federal	16,353,100
GF/GP	\$0

10. State Psychiatric Hospital and Center Enhanced FMAP Adjustments

Includes \$2.0 million GF/GP savings from the continuation of enhanced FMAP of 6.2% in quarters 1 and 2, 5.0% in quarter 3, and 2.5% in quarter 4. GF/GP savings are offset with a like amount of federal E-FMAP reimbursements.

Gross	\$0
Federal	2,033,800
GF/GP	(\$2,033,800)

11. Population Health – Non-GF/GP Funds Adjustments

Recognizes net increase of \$1.25 million federal and private funding, including:

- \$1.0 million federal funds for AIDS prevention, education, and treatment.
- \$1.0 million federal reduction for Breast Cervical Cancer Control Program (BCCCP).
- \$1.0 million private funds for healthy homes.
- \$250,000 private funds for chronic disease prevention.

Gross	\$1,250,000
Federal	0
Private	1,250,000
GF/GP	\$0

12. Aging Services Federal Funds

Includes \$1.8 million federal funds for long-term ombudsman services, and senior access to fresh fruits and vegetables.

Gross	\$1,768,100
Federal	1,768,100
GF/GP	\$0

		FY 2022-23 Recommendation
Supplemental Recommendations for FY 2022-23 Appropriations		
13. Medicaid Ambulance Rates	Gross	\$10,435,900
Adds \$10.4 million Gross (\$2.3 million GF/GP) to keep Medicaid ambulance rates aligned with a recent Medicare ambulance rate increase.	Federal	8,121,200
	GF/GP	\$2,314,700
14. Medicaid Dental Redesign Rates	Gross	\$40,000,000
Adds \$40.0 million federal in Medicaid matching funds related to \$30.0 million GF/GP previously included for the costs of future Medicaid adult dental redesign recommendations.	Federal	40,000,000
	GF/GP	\$0
15. Pediatric Hospital Staffing	Gross	\$2,800,000
Includes \$2.8 million GF/GP for hospital pediatric staffing in response to RSV and other diseases.	GF/GP	\$2,800,000
16. Medicaid Restricted Fund Adjustments	Gross	\$0
Includes \$34.9 million GF/GP as a net-zero replacement of restricted revenue authorization to recognize a decrease in revenues from the Medicaid Benefits Trust Fund (\$31.5 million) and from Healthy Michigan Fund (\$3.4 million).	Restricted	(34,900,000)
	GF/GP	\$34,900,000
17. Public Assistance Coronavirus State Fiscal Recovery Programs – One-Time	Gross	\$115,000,000
Includes \$115.0 million federal state fiscal recovery funds (SFRF) for 3 public assistance-related programs, \$50.0 million for energy-related housing renovations of low-time renters and homeowners, \$25.0 million for pre-weatherization, and \$40.0 million for water shutoff protection.	SFRF	115,000,000
	GF/GP	\$0
18. Public Health American Rescue Plan Funds – One-Time	Gross	\$174,377,900
Provides \$174.4 million federal funds, including.	Federal	174,377,900
<ul style="list-style-type: none"> • \$80.9 million to strengthen public health workforce and infrastructure. • \$29.7 million to expand, train, and sustain public health workforce. • \$27.7 million to strengthen STD prevention and control program. • \$36.1 million for immunization and vaccine efforts to address COVID-19. 	GF/GP	\$0
19. Nursing Home Workforce – One-Time	Gross	\$67,000,000
Includes \$67.0 million federal state fiscal recovery funds for nursing home workforce development grant funding for nonprofit training organizations and nursing homes.	SFRF	67,000,000
	GF/GP	\$0
20. Medicaid Home- and Community-Based Programming – One-Time	Gross	\$268,750,000
Includes \$268.8 million in state restricted authorization to supplement current Medicaid home- and community-based services. Funding is available through section 9817 of the federal American Rescue Plan Act that increased Medicaid reimbursements by 10%, which are then appropriated as state restricted funds to supplement existing home- and community-based services.	Restricted	268,750,000
	GF/GP	\$0