



**FY 2003-04 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH
Public Act No. 159 of 2003
And Supplemental Actions**

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**FY 2003-2004 APPROPRIATION REPORT
DEPARTMENT OF COMMUNITY HEALTH**

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DEPARTMENT OF COMMUNITY HEALTH OVERVIEW

The Department of Community Health (DCH) budget provides funding for Mental Health, Public Health, and Medical Services. Also included is funding for the Office of Drug Control Policy, the Office of Services to the Aging, and the Crime Victim Services Commission. Public Act 159 of 2003 is the appropriation act for the Department of Community Health in FY 2003-04 that includes authorized funding totaling \$9.5 billion, of which \$2.6 billion is from GF/GP revenues.

1. Medicaid Adult Benefits Waiver

Funding for the Medicaid program is reduced by \$158,467,500 Gross (\$109,900,100 GF/GP) to reflect changes proposed by the Executive to limit health care benefits for caretaker relatives, persons currently enrolled in state and local indigent care plans, and adults in TANF-eligible households who currently have full Medicaid coverage. Medicaid coverage for non-emergency dental services for adults is eliminated, and funding to continue adult coverage for hearing aid, podiatric, and chiropractic services was vetoed (Sec. 1630).

2. Medicaid Caseload, Utilization, and Inflation Increases

Additional federal and GF/GP funding is appropriated to reflect Medicaid costs associated with inflation, utilization and caseload growth. The total increase of \$496,993,600 Gross (\$218,595,800 GF/GP) is \$77,776,700 Gross (\$32,439,700 GF/GP) over the Executive Recommendation, based on the consensus Medicaid base spending estimate.

3. Medicaid Capitation Payment Rate Increase for CMHSPs

A total of \$81,614,200 Gross (\$10,000,000 GF/GP) is included for CHMSP rate changes. An increase of \$58.9 million for a Medicaid Mental Health Services payment rate increase is financed in part with local funds from CMHSPs. Also included is a \$22.7 million Gross, \$10.0 million GF/GP for a 1.6% capitation payment rate increase to CMHSPs. This rate increase is financed by redirecting \$40.0 million from CMH Non-Medicaid Services for the Medicaid Adult Benefits Waiver program.

4. Redirection of Funds to CMHSPs

Due to the closure of Northville Psychiatric Hospital for Adults with Mental Illness in FY 2002-03, the enacted budget increases funding for CMH Non-Medicaid Services by \$36,714,400 Gross (all GF/GP) which has been redirected from CMHSP, Purchase of State Services Contracts. This adjustment corrects the Executive Recommendation in which funding for Medicaid Mental Health Services had been increased by \$83.2 million.

5. Increased Federal Grants for Substance Abuse Services

\$4,213,000 in additional and new federal grant funds is included for community substance abuse prevention, education and treatment programs. These funds are to be used as required by federal regulations for the Substance Abuse Block Grant and the State Incentive Grant Program.

6. Early Retirement Savings

Early retirement savings totaling \$11,644,900 Gross (\$6,095,800 GF/GP) are budgeted for the Department of Community Health in FY 2003-04. These savings are in addition to the net early retirement savings achieved during this fiscal year of \$7.5 million Gross (\$5.8 million GF/GP).

7. Employee Economics

Funding to cover the costs of economic increases associated with employee salaries, wages, and benefits are not included in the budget. The Governor is in the process of seeking employee concessions and other savings proposals to offset the increased costs for these items.

8. Respite Services

A net \$0 Gross (\$1.0 million GF/GP) budget adjustment maintains \$1.0 million for respite care services for children with serious emotional disturbances and their families. The adjustment is financed by a redirection of funds proposed as an increase for the worker's compensation program. The Executive Budget proposed the elimination of funding for the Respite Services line item. Healthy Michigan funding for this line item was eliminated.

9. Multicultural Services

An additional \$500,000 Gross (all GF/GP) is appropriated for the Multicultural Services line item that would be allocated to the Jewish Federation. The increase is financed from additional GF/GP savings realized from the Medicaid match rate change from 55.42% to 55.89% for Medicaid Mental Health Services.

10. CMH Non-Medicaid Services

An increase of \$4,532,100 Gross (all GF/GP) for CMH Non-Medicaid Services is redirected from CMHSP, Purchase of State Services Contracts due to the rebasing of authorizations for state mental health facilities. This funding was not included in the Executive Budget proposal.

11. Family Planning Waiver

A new federal waiver will provide an additional \$2,250,000 of federal Medicaid funds to expand family planning and pregnancy prevention services to low income women, as proposed by the Executive. Other funding adjustments of \$753,800 to the family planning and pregnancy prevention programs are included in items 13 and 14.

12. African-American Male Health Initiative Funding

\$106,700 Gross (all GF/GP) funding for the African-American Male Health Initiative is retained. The Executive had proposed to eliminate this funding.

13. Bioterrorism Preparedness Grant Increase

An additional \$41,196,200 Gross (all Federal) is appropriated for public health and hospital bioterrorism preparedness, response, and staffing. \$1.0 million is vetoed (Sec. 853) and is not included in the total indicated.

14. Public Health Federal Grant Increases

\$28,646,700 million Gross (all Federal) in additional grant funds is authorized for public health, family health, and aging programs, including \$19.5 million for the Women, Infants, and Children Supplemental Food program, \$3.3 million for senior community and nutrition services, and \$5.9 million for 13 other program areas, as proposed by the Executive.

15. Healthy Michigan Fund Revisions

A \$1,148,800 Gross (all State Restricted) reduction in Healthy Michigan Funds is appropriated for a total appropriation of \$56,617,100. GF/GP funds are used to replace Healthy Michigan Fund monies for certain chronic disease, smoking, and pregnancy prevention programs, as recommended by the Executive.

16. School Health Education Funding

\$500,000 Gross (all GF/GP) is provided for school health education and the Michigan Model for Comprehensive School Health Education.

17. Early Childhood Collaborative Funding

\$524,000 Gross (all GF/GP) is included for an ongoing cooperative program with the Family Independence Agency and the Department of Education to fund community-based projects that foster healthy development for children 0-3 years of age.

18. Diabetes Outreach Funding

\$250,000 Gross (all GF/GP) is provided for statewide and community diabetes outreach programs of the Morris Hood Comprehensive Diabetes Center at Wayne State University, for which state restricted funds are eliminated.

19. Pharmaceutical Services Savings

Medicaid savings of \$90,443,400 Gross (\$40,000,000 GF/GP) are recognized from maximum allowable cost price changes for generic drugs and lower prescription drug prices resulting from the multi-state purchasing initiative, as proposed by the Governor.

20. Medical Services Restructuring Policy Changes

Medicaid, MIChild, and Children's Special Health Care (CSHCS) policy revisions to achieve savings of \$29,799,900 Gross (\$6,202,200 GF/GP) are included in the enacted budget, as proposed by the Executive.

21. Eligibility for Caretaker Relatives

Medicaid eligibility for caretaker relatives is restored at a cost of \$47,250,000 Gross (\$20,590,800 GF/GP). As part of this adjustment, the enacted budget replaces \$6,000,000 in federal funds with state GF/GP since coverage of this group was not eliminated and will not qualify for enhanced federal matching funds.

22. Medicaid Special Financing Payments

The Executive proposed adjustments are adopted to reduce Medicaid special financing payments by \$256,662,800 Gross (an increase of \$146,685,900 GF/GP) due to federal policies that limit the amount of such payments. As a result, State GF/GP revenues to fund the Medicaid program are increased by \$146.7 million.

23. Federal Medicaid Fiscal Relief

A net \$0 Gross (a reduction of \$168,400,000 GF/GP) adjustment is included with the appropriation of \$168.4 million in federal funds in place of the same amount of State GF/GP due to the recently enacted temporary increase in the federal Medicaid match rate to 58.84% through June 2004.

24. Tobacco Settlement Revenue Adjustments

A net \$0 Gross (a reduction of \$27,384,000 GF/GP) adjustment is included with an additional \$27,384,000 in tobacco settlement funds allocated to replace state GF/GP that would be required for the Medicaid program, rather than the \$126,700,000 tobacco settlement revenue increase proposed by the Executive.

25. Detroit Medical Center

A special Medicaid payment of \$50,000,000 Gross (\$0 GF/GP) is authorized for the Detroit Medical Center to stabilize the hospital system and prevent service reductions.

FY 2002-03 Funding Adjustments

Michigan's continuing economic problems and other actions resulted in a series of funding adjustments to the enacted Community Health budget in FY 2002-03. In February of 2003, the Governor issued Executive Order 2003-3 that made reductions to the Community Health budget totaling \$32.9 million Gross (\$17.0 million GF/GP). In addition, two supplemental appropriation bills were enacted, Public Act 39 of 2003 and Public Act 173 of 2003. These supplemental appropriations provided additional funding for Bioterrorism Preparedness, increased Medicaid costs, special financing payments, and federal fiscal relief revenues.

Public Act 39 of 2003 (House Bill 4032) appropriates \$23,300,000 Gross (all Federal) for public health bioterrorism preparedness, and restores \$196,031,600 in federal and local funds that were eliminated when the Medicaid Long-Term Care Services and Health Maintenance Organizations line items were vetoed by the governor in the original FY 2002-03 Community Health Appropriations Act. The Special Adjustor Payments line item is increased by \$8,841,600 for a new Medicaid special financing payment to practitioner groups affiliated with public hospitals proposed in conjunction with Executive Order 2003-3.

Public Act 173 of 2003 (Senate Bill 540) allocates \$268,110,000 Gross (\$119,520,000 GF/GP) to cover increased Medicaid costs attributable to Medicaid caseload and utilization growth, and \$148,800,000 in federal Medicaid fiscal relief funds from passage of the Jobs and Growth Tax Relief Reconciliation Act to replace State GF/GP that otherwise would be required to fund the Medicaid program.

Note: Supplemental funding adjustments for FY 2002-03 that occurred prior to January 1, 2003 are summarized in the FY 2002-03 Department of Community Health Appropriation Report prepared by the House Fiscal Agency in January of 2003.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
DEPARTMENT OF COMMUNITY HEALTH							
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	5,666.3	4,666.2	4,382.3	4,382.3	4,382.3	0.0	4,382.3
Average population	1,438.0	995.0	995.0	995.0	995.0	0.0	995.0
GROSS APPROPRIATION	9,209,409,748	9,117,346,900	9,078,801,100	9,216,076,300	9,486,616,000	(7,801,200)	9,478,814,800
Interdepartmental grant revenues:							
Total interdepartmental grants and intradepartmental transfers	69,172,900	69,204,800	69,204,800	69,204,800	69,204,800	0	69,204,800
ADJUSTED GROSS APPROPRIATION	9,140,236,848	9,048,142,100	9,009,596,300	9,146,871,500	9,417,411,200	(7,801,200)	9,409,610,000
Federal revenues:							
Total federal revenues	4,915,609,536	4,890,865,600	4,845,868,100	5,048,870,200	5,248,332,100	(4,801,200)	5,243,530,900
Special revenue funds:							
Total local revenues	938,759,100	806,552,500	806,552,500	805,256,100	812,256,100	0	812,256,100
Total private revenues	64,736,600	59,458,000	57,844,000	57,844,000	57,844,000	0	57,844,000
Tobacco settlement revenue	70,768,200	197,316,000	137,468,200	137,468,300	98,000,000	0	98,000,000
Total other state restricted revenues	734,153,300	510,011,400	513,494,300	513,494,300	639,408,300	0	639,408,300
State general fund/general purpose	2,416,210,412	2,583,938,600	2,648,369,200	2,583,938,600	2,561,570,700	(3,000,000)	2,558,570,700
<i>FY 2002-03 Year-To-Date amounts include original appropriations and supplemental funding adjustments that occurred prior to March 6, 2003: Public Acts 519, 303, 304, 562, and 746 of 2002, Executive Orders 2002-22 and 2003-3, P. A. 519 Section 263 and Section 428 contingency appropriations, and contingency transfers. Additional funding adjustments were subsequently made by Public Acts 39 and 173 of 2003, and contingency transfers.</i>							
NOTE: Due to a \$300 discrepancy between revenue sources and appropriations in PA 562 of 2002, FY 2002-03 Year-To-Date appropriations do not equal revenues.							

DEPARTMENTWIDE ADMINISTRATION

The budget includes no appropriation changes to the Director and Other Unclassified line item.

The budget includes no appropriation changes to the Community Health Advisory Council line item.

Funds for the Departmental Administration and Management line item are increased by \$670,000 Gross to recognize federal random moment revenue received in FY 2002-03. This revenue is generated by a majority of federal grants received by the Department of Community Health (DCH) where administrative support activities are performed. Funds for the Departmental Administration and Management line item are reduced by \$643,900 Gross (all GF/GP) to recognize savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. Funds supporting the Departmental Administration and Management line item are reduced by \$666,700 Gross to annualize the reduction taken to execute the budgetary savings amount contained in Executive Order 2002-22 in which Healthy Michigan funding for community health assessments was eliminated. The FTE positions supporting the Departmental Administration and Management line item are reduced by 54.2 based upon a request from the Department.

Funds for the Certificate of Need (CON) Program Administration line item are increased by \$222,900 Gross to recognize the carryforward of CON fees. The state restricted fee revenue supplants the \$222,900 GF/GP reduction contained in Executive Order 2003-3 for the administration of the CON program. The FTEs supporting the Certificate of Need Program Administration line item are also reduced by 3.0 based upon a request from the Department.

Funds for the Worker's Compensation Program line item are increased by \$406,800 Gross (all GF/GP). One million dollars of a proposed economic increase of 24.5% (\$2,237,200 Gross) was redirected from the Worker's Compensation Program line item to the Respite Services line item.

An economic reduction of 8.0% totaling \$720,000 Gross (\$496,800 GF/GP) is included in the budget for Rent and Building Occupancy line item.

The FTEs supporting the Developmental Disabilities Council and Projects line item are increased by 1.0 based upon a request from the Department.

The federal revenue authorization for the Rural Health Services line item is increased by \$540,000 Gross to recognize a Rural Health Flexibility Program grant that will be used to assist small rural hospitals comply with federal privacy and prospective pay system guidelines, and improve patient safety. The federal revenue authorization for the Rural Health Services line item is also increased by \$111,900 Gross to recognize two grant awards which will support the State Office of Rural Health and ensure primary care access in rural areas.

The budget includes no appropriation changes for the Michigan Essential Health Care Provider Program line item.

Funds for the Palliative and Hospice Care line item are reduced by \$180,000 Gross (all GF/GP) to annualize the savings contained in Executive Order 2003-3. This reduction results in the elimination of funding for the Palliative and Hospice Care line item.

Funds for the Primary Care Services line item are reduced by \$50,200 Gross (all GF/GP) to annualize the savings contained in Executive Order 2003-3. The FTE positions supporting the Primary Care Services line item are reduced by .4 based upon a request from the Department.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces funds for the Departmental Administration and Management line item by \$550,000 Gross (\$400,000 GF/GP). The savings are achieved from vacancies, less contractual services, supplies, and materials costs, and less travel costs.

Funds for the Certificate of Need Program Administration line item are reduced by \$222,900 Gross (all GF/GP). As mentioned earlier, the carryforward of Certificate of Need fees supplanted this GF/GP reduction in the Department's budget for FY 2003-04.

Funds for the Worker's Compensation Program are reduced by \$1,362,900 Gross (all GF/GP). The savings are achieved from the early retirement of employees and closure of Northville Psychiatric Hospital – Adult during fiscal year 2002-03.

Funds for the Michigan Essential Health Care Provider Program line item are reduced by \$57,400 Gross (\$28,700 GF/GP). The savings are achieved by reducing the amount of funds available for loans to primary care providers who practice in designated medically underserved areas.

Funds for the Palliative and Hospice Care are reduced by \$136,200 Gross (all GF/GP). The savings are achieved by not implementing Section 312 of PA 519 of 2002 which allocated \$150,000 to MI Partnership for the Advancement of End-of-Life Care.

Funds for the Primary Care Services line item are reduced by \$50,200 Gross (all GF/GP). The savings are achieved through an across-the-board reduction of grants to community health centers for primary health care in underserved areas.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 102. DEPARTMENTWIDE ADMINISTRATION							
Full-time equated unclassified positions	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Full-time equated classified positions	343.5	343.5	286.9	286.9	286.9	0.0	286.9
Director and other unclassified--* FTE positions	581,500	581,500	581,500	581,600	581,500	0	581,500
* positions in above line	6.0	6.0	6.0	6.0	6.0	0.0	6.0
Community health advisory council	28,900	28,900	28,900	29,000	28,900	0	28,900
Departmental administration and management--* FTE p	24,131,000	23,695,400	23,490,400	23,490,500	23,490,400	0	23,490,400
* positions in above line	319.7	319.7	265.5	265.5	265.5	0.0	265.5
Certificate of need program administration--* FTE positi	721,900	944,800	944,800	944,900	944,800	0	944,800
* positions in above line	13.0	13.0	10.0	10.0	10.0	0.0	10.0
Worker's compensation program	9,143,900	11,381,100	10,381,100	11,381,200	9,550,700	0	9,550,700
Rent and building occupancy	9,020,100	8,300,100	8,300,100	8,300,200	8,300,100	0	8,300,100
Developmental disabilities council and projects--* FTE p	2,743,600	2,743,600	2,743,600	2,743,700	2,743,600	0	2,743,600
* positions in above line	9.0	9.0	10.0	10.0	10.0	0.0	10.0
Rural health services	726,000	1,377,900	1,377,900	1,378,000	1,377,900	0	1,377,900
Michigan essential health care provider program	1,391,700	1,391,700	1,391,700	1,391,800	1,391,700	0	1,391,700
Palliative and hospice care	180,000	0	0	0	0	0	0
Primary care services--* FTE positions	2,840,300	2,790,100	2,790,100	2,790,200	2,790,100	0	2,790,100
* positions in above line	1.8	1.8	1.4	1.4	1.4	0.0	1.4
GROSS APPROPRIATION	51,508,900	53,235,100	52,030,100	53,031,100	51,199,700	0	51,199,700
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of treasury	101,600	101,600	101,600	101,600	101,600	0	101,600
Federal revenues:							
Total federal revenues	14,607,300	15,911,000	15,706,000	15,706,000	15,706,000	0	15,706,000
Special revenue funds:							
Total private revenues	185,900	185,900	185,900	185,900	185,900	0	185,900
Total other state restricted revenues	2,023,800	1,580,000	1,580,000	1,580,000	1,580,000	0	1,580,000
State general fund/general purpose	34,590,300	35,456,600	34,456,600	35,457,600	33,626,200	0	33,626,200

MENTAL HEALTH

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
MENTAL HEALTH APPROPRIATION SUMMARY:							
Full-time equated classified positions	4,392.0	3,366.4	3,146.2	3,146.2	3,146.2	0.0	3,146.2
Average population	1,438.0	995.0	995.0	995.0	995.0	0.0	995.0
GROSS APPROPRIATION	2,244,931,400	2,271,823,800	2,231,336,600	2,230,143,600	2,253,028,400	0	2,253,028,400
Interdepartmental grant revenues:							
IDG-department of corrections	68,088,700	68,120,600	68,120,600	68,120,600	68,120,600	0	68,120,600
Total interdepartmental grants and intradepartmental tra	68,088,700	68,120,600	68,120,600	68,120,600	68,120,600	0	68,120,600
ADJUSTED GROSS APPROPRIATION	2,176,842,700	2,203,703,200	2,163,216,000	2,162,023,000	2,184,907,800	0	2,184,907,800
Federal revenues:							
Total federal revenues	924,446,100	955,419,500	909,644,800	941,318,500	954,166,600	0	954,166,600
Special revenue funds:							
Total local revenues	181,209,600	139,640,500	139,640,500	138,344,100	138,344,100	0	138,344,100
Total private revenues	690,000	690,000	690,000	690,000	690,000	0	690,000
Total other state restricted revenues	18,120,700	13,759,300	13,759,300	13,759,300	13,759,300	0	13,759,300
State general fund/general purpose	1,052,376,300	1,094,193,900	1,099,481,400	1,067,911,100	1,077,947,800	0	1,077,947,800

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Funds and FTEs for the Mental Health/Substance Abuse Program Administration line item are increased by \$106,000 Gross and 1.5, respectively, to recognize a new federal State Incentive Program grant. These grant funds will be used to support administrative costs related to identifying capacity and needed improvements in the substance abuse services delivery system. Funds for the Mental Health/Substance Abuse Program Administration line item are reduced by \$346,900 Gross (all GF/GP) to recognize the savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. The FTEs supporting the Mental Health/Substance Abuse Program Administration line item are reduced by 19.2 based upon a request from the Department.

The budget includes no appropriation changes for the Consumer Involvement Program line item.

The budget includes no appropriation changes to the Gambling Addiction line item.

The budget includes no appropriation changes to the Protection and Advocacy Services Support line item.

Funds for the Mental Health Initiatives for Older Persons line item are increased by \$300,000 Gross to recognize a federal grant received in FY 2002-03. These federal funds will be used to improve primary care coordinating and service capacity, and better integrate community-based persons with dementia. Funds for the Mental Health Initiatives for Older Persons line item are reduced by \$58,300 Gross (all GF/GP) to annualize the savings contained in Executive Order 2003-3.

Funds totaling \$635,400 Gross (all GF/GP) are transferred from the Community Residential and Support Services line item to the CMH Non-Medicaid Services line item for 9 leases in Macomb County and 24 leases in Oakland County that expired in FY 2001-02.

The budget includes no appropriation changes to the Highway Safety Projects line item.

The budget includes no appropriation changes to the Federal and Other Special Projects line item.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the funds authorized for the Mental Health/Substance Abuse Program Administration line item by \$200,000 Gross (\$150,000 GF/GP) to recognize savings achieved from vacancies, less contractual services, supplies, and materials costs, and less travel costs.

Funds for the Protection and Advocacy Services Support line item are reduced by \$40,900 Gross (all GF/GP). The savings are achieved by lowering the contractual funds available to the Michigan Protection and Advocacy Services, Inc.

Funds for the Mental Health Initiatives and Older Persons are reduced by \$58,300 Gross (all GF/GP). The savings are achieved by reducing the amount of funds available for a variety of grants, conferences, training, and seminars.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS							
Full-time equated classified positions	101.0	102.5	83.3	83.3	83.3	0.0	83.3
Mental health/substance abuse program administration-	9,376,800	9,135,900	9,135,900	9,136,000	9,135,900	0	9,135,900
* positions in above line	101.0	102.5	83.3	83.3	83.3	0.0	83.3
Consumer involvement program	189,100	189,100	189,100	189,200	189,100	0	189,100
Gambling addiction	3,500,000	3,500,000	3,500,000	3,500,100	3,500,000	0	3,500,000
Protection and advocacy services support	777,400	777,400	777,400	777,500	777,400	0	777,400
Mental health initiatives for older persons	1,107,500	1,349,200	1,349,200	1,349,300	1,349,200	0	1,349,200
Community residential and support services	4,473,600	3,838,200	3,838,200	3,838,300	3,838,200	0	3,838,200
Highway safety projects	1,837,200	1,837,200	1,837,200	1,837,300	1,837,200	0	1,837,200
Federal and other special projects	1,977,200	1,977,200	1,977,200	1,977,300	1,977,200	0	1,977,200
GROSS APPROPRIATION	23,238,800	22,604,200	22,604,200	22,605,000	22,604,200	0	22,604,200
Appropriated from:							
Federal revenues:							
Total federal revenues	5,763,100	6,169,100	6,169,100	6,169,100	6,169,100	0	6,169,100
Special revenue funds:							
Total private revenues	190,000	190,000	190,000	190,000	190,000	0	190,000
Total other state restricted revenues	3,682,300	3,682,300	3,682,300	3,682,300	3,682,300	0	3,682,300
State general fund/general purpose	13,603,400	12,562,800	12,562,800	12,563,600	12,562,800	0	12,562,800

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

The allocation for the Medicaid Mental Health Services line item is increased by \$1,400 Gross (\$600 GF/GP) to recognize FY 2000-01 changes in utilization of days of care at Mt. Pleasant Center by CMHSPs. The increase is financed by a \$600 GF/GP reduction to the CMHSP, Purchase of State Services Contracts line item. The allocation for the Medicaid Mental Health Services line item is increased by \$9,428,200 Gross (\$4,158,800 GF/GP) to recognize FY 2001-02 changes in utilization of days of care at Mt. Pleasant Center by CMHSPs. The increase is financed by a \$4,158,800 GF/GP reduction to the CMHSP, Purchase of State Services Contracts line item. The budget includes an increase of \$6,602,600 in the federal Medicaid revenue supporting the Medicaid Mental Health Services line item, with a corresponding reduction in GF/GP dollars, due to a change in the Medicaid match rate from 55.42% to 55.89%. The budget also includes an increase of \$29,772,500 in the federal Medicaid revenue supporting the Medicaid Mental Health Services line, with a corresponding reduction in GF/GP dollars, due to a change in the Medicaid match rate from 55.89% to 58.84% for three quarters of a fiscal year. These additional federal Medicaid revenue funds are received by the Department as a result of Public Law 108-27 which provided for an enhanced Medicaid match rate and temporary fiscal relief. Funds for the Medicaid Mental Health Services line item are increased by \$9,059,700 Gross (\$3,996,200 GF/GP) based upon a projected caseload increase of 1% in FY 2002-03 over actual FY 2001-02 expenditures. The percentage change is based on costs rather than changes in the number of Medicaid eligibles for mental health services.

Funds for the Medicaid Mental Health Services line item are increased by \$53,777,200 Gross (\$23,721,100 GF/GP) based upon a project caseload increase in FY 2003-04 over actual FY 2001-02 expenditures. The increase is based upon the Medicaid revenue consensus agreement. General Fund/General Purpose funds totaling \$42,177,300 are transferred from the Medical Services appropriation unit to the Medicaid Mental Health Services line item to adjust the veto impact of Section 448 in PA 519 of 2002 which limited the quality assurance assessment fee charged CMHSPs to 6%. Fund sourcing for the Medicaid Mental Health Services line item had been changed to show the impact of the veto since a veto is strictly negative. The federal Medicaid revenue supporting the Medicaid Mental Health Services line item is reduced by \$3,011,300 to recognize the loss in federal revenue due to implementing the FY 2002-03 budgetary savings amount of \$2,422,300 GF/GP for this line item which reduced the capitation payment rate by .75% for CMHSPs, effective March 1, 2003. The federal Medicaid revenue supporting the Medicaid Mental Health Services line item is reduced by \$49.7 million to adjust the veto impact of Section 448 in PA 519 of 2002. Again, fund sourcing for the Medicaid Mental Health Services had been changed to show the impact of the veto since a veto is strictly negative.

Funds for the Medicaid Mental Health Services line item are reduced by \$90,986,100 Gross (\$22,732,600 GF/GP) to reflect the elimination of funds for MI-Family Program which was to provide mental health services to the following:

parents of Michigan eligible children whose income is between 50% and 100% of the poverty level, pregnant women whose income is between 185% and 200% of the poverty level, and single adults in the State Medical Program. Funds for the Medicaid Mental Health Services line item are increased by \$58,943,600 Gross which is financed in part by \$26.0 million in local funds from CMHSPs. The funds are to be used for an increase in capitation rates payable to CMHSPs. The allocation for the Medicaid Mental Health Services line item is reduced by \$4,430,700 Gross (\$1,954,400 GF/GP) to annualize the reduction taken to execute the budgetary savings amount contained in Executive Order 2002-22 in which the capitation payment rate for CMHSPs was reduced by .35%, effective March 1, 2003.

Funds for the Medicaid Mental Health Services line item are increased by \$22,670,600 Gross (\$10,000,000 GF/GP) to provide a 1.6% capitation payment rate increase for CMHSPs. The increase is financed by redirecting \$40.0 million GF/GP from the Community Mental Health (CMH) Non-Medicaid Services line item to a new line item entitled "Medicaid Adult Benefits Waiver". In order to reconcile to the budget bill recommended by the Governor, the federal Medicaid revenue supporting the Medicaid Mental Health Services line item is increased by \$100.

General Fund/General Purpose funds totaling \$40,739,400 are restored to the CMH Non-Medicaid Services line item that were transferred in the FY 2002-03 budget as part of the financing strategy for MI-Family Plan which resulted in additional federal Medicaid and Title XXI revenue. The allocation for the CMH Non-Medicaid Services line item is reduced by \$98,400 Gross (all GF/GP) to recognize FY 2000-01 changes in utilization of days of care at psychiatric hospitals by CMHSPs. The funds are redirected to the CMHSPs, Purchase of State Services Contracts line item. The allocation for the CMH Non-Medicaid Services line item is increased by \$17,560,400 Gross (all GF/GP) to recognize FY 2001-02 changes in utilization of days of care at state psychiatric hospitals by CMHSPs. The increase is financed by a reduction to the CMHSP, Purchase of State Services Contracts line item. The allocation for the CMH Non-Medicaid Services line item is reduced by \$235,800 Gross (all GF/GP) to correct changes in the utilization of days of care at Kalamazoo Psychiatric Hospital by CMHSPs. These funds are redirected to the CMHSP, Purchase of State Services Contracts line item.

Funds for the CMH Non-Medicaid Services line item are reduced by \$2,800,100 Gross (all GF/GP) to annualize the reduction taken to execute the budgetary savings amount contained in Executive Order 2002-22 which reduced funding for this line item by 2.5%. Funds totaling \$635,400 Gross (all GF/GP) are transferred from the Community Residential and Support Services line item to the CMH Non-Medicaid Services line item for 9 leases in Macomb County and 24 leases in Oakland County that expired in FY 2001-02. Funds totaling \$40.0 million Gross (all GF/GP) are transferred from the CMH Non-Medicaid Services line item to a new line item entitled "Medicaid Adult Benefits Waiver". Funds totaling \$36,714,400 Gross (all GF/GP) are redirected to the CMH Non-Medicaid Services line item from the CMHSP, Purchase of State Services Contracts line item due to the closure of Northville Psychiatric Hospital in FY 2002-03. General Fund/General

Purpose dollars totaling \$4,532,100 are redirected to the CMH Non-Medicaid Services line item from the CMHSP, Purchase of State Services Contracts line item due to the rebasing of FY 2002-03 authorizations for state psychiatric hospitals and center for persons with developmental disabilities.

Funds totaling \$40,000,000 Gross (\$12,352,000 GF/GP) are included in the budget for a new line item entitled "Medicaid Adult Benefits Waiver". Funds for the program are redirected from the CMH Non-Medicaid Services line item which will result in new Title XXI revenue. The funds are to be used to provide mental health benefits to persons who are currently not Medicaid eligible through a federal waiver.

Funds for the Multicultural Services line item are increased by \$500,000 Gross (all GF/GP) for the Jewish Federation. The increase is financed by additional GF/GP savings realized from the Medicaid match rate change from 55.42% to 55.89% for the Medicaid Mental Health Services line item.

An increase of \$122,900 is included in the budget for the federal Medicaid revenue supporting the Medicaid Substance Abuse Services line item, with a corresponding reduction in GF/GP dollars, due to a change in the Medicaid match rate from 55.42% to 55.89%. An increase of \$604,800 is also included in the budget for the federal Medicaid revenue supporting the Medicaid Substance Abuse Services line item, with a corresponding reduction in GF/GP, due to a change in the Medicaid match rate from 55.89% to 58.84% for three quarters of a fiscal year. These additional federal Medicaid revenue funds are received by the Department as a result of Public Law 108-27 which provided for an enhanced Medicaid match rate and temporary fiscal relief. Funding for the Medicaid Substance Abuse Services line item is increased by \$649,900 Gross (\$286,700 GF/GP) to recognize a projected caseload increase of 2.5% in FY 2002-03 over actual FY 2001-02 expenditures. The percentage increase is based on costs rather than changes in number of Medicaid eligibles for substance abuse services. Funds for the Medicaid Substance Abuse Services line item are increased by \$1,011,500 Gross (\$446,200 GF/GP) based on a projected caseload increase in FY 2003-04 over actual FY 2001-02 expenditures. The increased is based upon the Medicaid revenue consensus agreement.

The Healthy Michigan funds of \$1.0 million supporting the Respite Services line item are eliminated to annualize the reduction taken to execute the budgetary savings amount contained in Executive Order 2002-22. Funds for the Respite Services line item are increased by \$1.0 million GF/GP. The increase is financed by redirecting funds proposed in the Executive Budget bill for the Worker's Compensation Program line item.

The budget includes a redirection of \$600 GF/GP from the CMHSP, Purchase of State Services Contracts line item to the Medicaid Mental Health Services line item to finance FY 2000-01 changes in days of care utilized at Mt. Pleasant Center

by CMHSPs. The budget redirects \$4,158,800 Gross (all GF/GP) from the CMHSP, Purchase of State Services Contracts line item to the Medicaid Mental Health Services line item to finance FY 2001-02 changes in days of care utilized at Mt. Pleasant Center by CMHSPs. The allocation for the CMHSPs, Purchase of State Services line item is increased by \$98,400 Gross (all GF/GP) due to FY 2000-01 changes in days of care utilized at state psychiatric hospitals by CMHSPs. The increase is financed by a reduction to the CMH Non-Medicaid Services line item. Funds totaling \$17,560,400 Gross (all GF/GP) are redirected from the CMHSP, Purchase of State Services Contracts line item to the Medicaid Mental Health Services line item to finance FY 2001-02 changes in days of care utilized at state psychiatric hospitals by CMHSPs.

The allocation for the CMHSP, Purchase of State Services Contracts line item is increased by \$235,800 Gross (all GF/GP) to correct changes in the utilization of days of care at Kalamazoo Psychiatric Hospital by CMHSPs. These funds are redirected from the CMH Non-Medicaid Services line item. The allocation for the CMHSP, Purchase of State Services Contracts line item is reduced by \$4,532,100 Gross (all GF/GP) to reflect the rebasing of FY 2002-03 authorizations for state psychiatric hospitals and center for persons with developmental disabilities. The funds for the CMHSP, Purchase of State Services Contracts line item are reduced by \$275,400 Gross (all GF/GP) to reflect the change in the federal Medicaid match rate from 55.42% to 55.89% for state psychiatric hospitals and center for persons with developmental disabilities. The funds for the CMHSP, Purchase of State Services Contracts line item are reduced by \$1,296,400 Gross (all GF/GP) to reflect the change in the federal Medicaid match rate from 55.42% to 58.84% for three quarters of a fiscal year for state psychiatric hospitals and center for persons with developmental disabilities. Funding for the CMHSP, Purchase of State Services Contracts line item is increased by \$820,800 Gross (all GF/GP) to recognize an estimated 10% increase in pharmacy costs at state psychiatric hospitals and center for persons with developmental disabilities.

The funds for the CMHSP, Purchase of State Services Contracts line item are increased by \$145,700 Gross (all GF/GP) to finance economic adjustments for food, fuel, and natural gas at state psychiatric hospitals and center for persons with developmental disabilities. Funds totaling \$36,714,400 Gross (all GF/GP) are redirected from the CMHSP, Purchase of State Services Contracts line item to the CMH Non-Medicaid Services line item due to the closure of Northville Psychiatric Hospital in FY 2002-03. The GF/GP funds of \$99,800 supporting state psychiatric hospitals and center for persons with developmental disabilities are replaced with CMHSP, Purchase of State Services Contracts funds due to an error in calculating the FY 2002-03 economic adjustments for these facilities. Funds for the CMHSP, Purchase of State Services Contracts line item are reduced by \$3,817,000 Gross (all GF/GP) to recognize savings achieved at state psychiatric hospitals and center for persons with developmental disabilities due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Plan Employees Retirement Act.

The budget includes no appropriation changes for the Civil Service Charges line item.

The FTEs supporting the Federal Mental Health Block Grant line item are increased by .5 based upon a request from the Department.

The budget includes no appropriation changes for the State Disability Assistance Program Substance Services line item.

The authorization for the federal substance abuse block grant supporting the Community Substance Abuse Prevention, Education, and Treatment Programs line item is increased by \$1,261,900 based upon a historical average increase in the grant of an estimated 1.0% annually. Federal regulations for the grant specify that funds be used to educate and counsel persons on the abuse of substances. Furthermore, contracts with substance abuse coordinating agencies require a continuum of substance abuse prevention and treatment services. The funds for the Community Substance Abuse Prevention, Education, and Treatment Programs line item are increased by \$2,951,100 Gross in recognition of a new federal State Incentive Program grant. The federal funds are to be used by substance abuse coordinating agencies to better identify, coordinate, and allocate resources to address substance abuse problems.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces funds for the CMHSP, Purchase of State Services Contracts by \$18,000 Gross (all GF/GP). This reduction represents fleet savings for motor vehicles.

Funds for the Civil Service Charges line item are reduced by \$540,900 Gross (all GF/GP). These savings are achieved due to the closure of Northville Psychiatric Hospital and the early retirement of state employees.

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 173 increases the FY 2002-03 federal Medicaid revenue supporting the Medicaid Mental Health Services line item by \$26,276,300, with a corresponding reduction in the GF/GP dollars, due to the enhanced federal Medicaid match rate (59.31%) for mental health services. The additional federal Medicaid revenue has been received by the Department as a result of Public Law 108-27.

Funding for the CMHSP, Purchase of State Services Contracts line item is reduced by \$1,136,700 Gross (all GF/GP). This adjustment is related to the enhanced federal Medicaid match rate (59.31%) for state psychiatric hospitals and center for persons with developmental disabilities which has been received by the Department as a result of Public Law 108-27.

The federal funds supporting the Community Substance Abuse Prevention, Education, and Treatment Programs line item are increased by \$2,862,000. This adjustment restores funds that were eliminated due to the veto of Section 412 of PA 519 of 2002 which required the Department to contract directly with the Salvation Army's Harbor Light and Turning Point of West Michigan for substance abuse services.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04	
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03	
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS								
Full-time equated classified positions	2.0	2.0	2.5	2.5	2.5	0.0	2.5	
Medicaid mental health services	1,324,695,900	1,433,326,600	1,350,092,900	1,350,093,000	1,372,625,900	0	1,372,625,900	
Community mental health non-Medicaid services	271,346,700	287,147,600	328,394,100	328,394,200	328,394,100	0	328,394,100	
Medicaid adult benefits waiver	0	40,000,000	40,000,000	40,000,100	40,000,000	0	40,000,000	
Multicultural services	3,163,800	3,163,800	3,663,800	3,664,000	3,663,800	0	3,663,800	
Medicaid substance abuse services	26,127,500	27,333,700	27,333,700	27,333,800	27,788,900	0	27,788,900	
Respite services	1,000,000	0	1,000,000	1,100,100	1,000,000	0	1,000,000	
CMHSP, purchase of state services contracts	164,070,400	98,412,200	98,412,200	97,115,900	97,115,800	0	97,115,800	
Civil service charges	2,065,500	2,065,500	2,065,500	2,065,600	2,065,500	0	2,065,500	
Federal mental health block grant--* FTE positions	15,317,400	15,317,400	15,317,400	15,317,500	15,317,400	0	15,317,400	
* positions in above line	2.0	2.0	2.5	2.5	2.5	0.0	2.5	
State disability assistance program substance abuse se	2,509,800	2,509,800	2,509,800	2,509,900	2,509,800	0	2,509,800	
Community substance abuse prevention, education and	76,335,400	80,548,400	80,548,400	80,548,500	80,548,400	0	80,548,400	
GROSS APPROPRIATION	1,886,632,400	1,989,825,000	1,949,337,800	1,948,142,600	1,971,029,600	0	1,971,029,600	
Appropriated from:								
Federal revenues:								
Total federal revenues	885,537,300	920,541,900	874,767,200	905,144,500	917,992,600	0	917,992,600	
Special revenue funds:								
Total local revenues	0	26,000,000	26,000,000	26,000,000	26,000,000	0	26,000,000	
Total other state restricted revenues	4,042,400	3,042,400	3,042,400	3,042,400	3,042,400	0	3,042,400	
State general fund/general purpose	997,052,700	1,040,240,700	1,045,528,200	1,013,955,700	1,023,994,600	0	1,023,994,600	

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Funds authorized for Mt. Pleasant Center are reduced by \$600 Gross (\$600 CMHSP, Purchase of State Services Contracts dollars) to recognize changes in the days of care utilized at the center during FY 2000-01 by CMHSPs. Funds and FTEs authorized for Mt. Pleasant Center are reduced by \$4,158,800 Gross (\$4,158,800 CMHSP, Purchase of State Services Contracts dollars), and 70.8, respectively, to recognize changes in the days of care utilized at the center during FY 2001-02 by CMHSPs. The funds authorized for state psychiatric hospitals are increased by \$98,400 Gross (\$98,400 CMHSP, Purchase of State Services Contracts dollars) to recognize changes in the days of care utilized at these hospitals during FY 2000-01 by CMHSPs. The funds and FTEs authorized for state psychiatric hospitals are reduced by \$17,560,400 Gross (\$17,560,400 CMHSP, Purchase of State Services Contracts dollars), and 325.9, respectively, to recognize changes in the days of care utilized at these hospitals during FY 2001-02 by CMHSPs. The federal funds, state restricted revenue, and local funds authorized for state psychiatric hospitals and center for persons with developmental disabilities are reduced by \$696,400, \$99,000, and \$222,000, respectively, to reflect the impact on revenue sources other than GF/GP when state employees retired pursuant to PA 93 of 2002 amendments to the State Employees Retirement Act.

Funds totaling \$1,912,000 Gross (\$1,912,000 CMHSP, Purchase of State Services Contract dollars) are transferred from Northville Psychiatric Hospital to Hawthorn Center for the costs associated with operating the power plant. Funds totaling \$12,052,700 Gross (\$12,052,700 CMHSP, Purchase of State Services Contracts dollars), and 143.4 FTEs are transferred from Northville Psychiatric Hospital to Walter Reuther Psychiatric Hospital due to the closure of Northville Psychiatric Hospital in FY 2002-03. The federal funds, state restricted revenue, local funds, and FTEs authorized for Northville Psychiatric Hospital are reduced by \$647,800, \$1,900,800, \$3,413,900, and 63.8, respectively, due to the closure of Northville Psychiatric Hospital. The FTE positions supporting Northville Psychiatric Hospital are reduced by 392.0 due to the closure of this hospital. The CMHSP, Purchase of State Services dollars totaling \$36,714,400 that support the operation of Northville Psychiatric Hospital are transferred to CMHSPs due to the closure of this facility.

The allocation for Kalamazoo Psychiatric Hospital is increased by \$235,800 Gross (\$235,800 CMHSP, Purchase of State Services Contract dollars) to correct changes in the utilization of days of care at the hospital by CMHSPs. Funding for state psychiatric hospitals and center for persons with developmental disabilities is reduced by \$5,549,100 Gross, (\$3,817,000 CMHSP, Purchase of State Services Contract dollars) to recognize savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. Funds supporting state psychiatric hospitals and center for persons with developmental disabilities are increased by

\$1,127,400 Gross (\$820,800 CMHSP, Purchase of State Services Contracts dollars) due to an estimated 10% increase in pharmacy costs.

The FY 2002-03 authorizations for state psychiatric hospitals and center for persons with developmental disabilities are rebased resulting in the following budgetary changes: a reduction of 82.6 FTE positions, a reduction of \$6,657,600 in Gross appropriations, a reduction of \$2,517,600 in federal revenue, a reduction of \$1,082,200 in state restricted revenue, an increase of \$1,474,300 in local revenue, and a reduction of \$4,532,100 in CMHSP, Purchase of State Services Contract dollars. The General Purpose/General Fund dollars of \$99,800 supporting state psychiatric hospitals and center for persons with developmental disabilities are shifted to CMHSP, Purchase of State Services Contract dollars to correct the FY 2002-03 economic adjustments for state facilities. The authorization for Northville Psychiatric Hospital is reduced by \$31,000 Gross (\$18,000 CMHSP, Purchase of State Services Contracts dollars) to recognize fleet savings for motor vehicles. The authorizations for state psychiatric hospitals and center for persons with developmental disabilities are increased by \$211,600 Gross (\$145,700 CMHSP, Purchase of State Services Contracts dollars) to reflect economic adjustments for food, fuel, and natural gas.

In order to reconcile to the Executive Budget bill, the FTE positions supporting state psychiatric hospitals and center for persons with developmental disabilities are reduced by 111.6. Pursuant to a request by the Department, the FTE positions supporting state psychiatric hospitals and center for persons with developmental disabilities are reduced by 118.5. Included in the budget is an increase of \$275,400 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding decrease in CMHSP, Purchase of State Services Contracts dollars, due to a change in the federal Medicaid match rate from 55.42% to 55.89%. Included in the budget is also an increase of \$1,296,400 in the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities, with a corresponding decrease in CMHSP, Purchase of State Services Contracts dollars, due to a change in the federal Medicaid match rate from 55.89% to 58.84% for three quarters of a fiscal year.

Funds for the Forensic Center are reduced by \$437,600 Gross (all GF/GP) to recognize the savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. The FY 2002-03 authorization for the Forensic Center is rebased which results in the following budgetary changes: a reduction of 22.4 FTE positions, a reduction of \$450,000 in Gross appropriations, a reduction of \$12,900 in federal revenue, a reduction of \$150,000 in state restricted revenue, and an increase of \$612,900 in local revenue. Funds for the Forensic Center are increased by \$212,900 Gross (\$154,800 GF/GP) anticipating an estimated 10% increase in the pharmacy costs. The authorization for the Forensic Center is increased by \$56,400 Gross (\$52,500 GF/GP) to reflect

economic adjustments for food, fuel, and natural gas. In order to reconcile to the Executive Budget bill, the FTEs authorized for the Forensic Center are reduced by 27.0. Based upon a request from the Department, the FTE positions for the Forensic Center are increased by 22.4.

The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by \$674,900 Gross anticipating an estimated 10% increase in pharmacy costs. The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$511,700 Gross to adjust for Executive Order 2002-22 impact on this line item. The interdepartmental grant funds for the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by \$205,400 Gross to recognize the full-year savings associated with Executive Order 2002-22. The authorization for the Forensic Mental Health Services Provided to the Department of Corrections line item is increased by \$74,100 Gross to reflect the economic adjustments for food, fuel, and natural gas. In order to reconcile to the Executive Budget bill, the FTE positions supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are increased by 69.0. Based upon a request from the Department, the FTE positions supporting the Forensic Mental Health Services Provided to the Department of Corrections line item are reduced by 105.4.

The budget includes no appropriation changes to the Revenue Recapture line item.

The budget includes no appropriation changes to the IDEA, Federal Special Education line item.

The budget includes no appropriation changes to the Special Maintenance and Equipment line item.

The budget includes no appropriation changes to the Purchase of Medical Services for Residents of Hospitals and Centers line item.

Funds for the Closed Site, Transition, and Related Costs line item are reduced by \$7,400 Gross (all GF/GP) to recognize savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. The authorization for the Closed Site, Transition, and Related Costs line item is increased by \$7,700 Gross (all GF/GP) to reflect economic adjustments for fuel and natural gas.

The budget includes no appropriation changes to the Severance Pay line item.

The budget includes no appropriation changes to the Gifts and Bequests for Patient Living and Treatment Environment line item.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces funds for the Special Maintenance and Equipment line item by \$612,500 Gross (all GF/GP). The savings are achieved by the Department delaying maintenance projects for state psychiatric hospitals and center for persons with developmental disabilities.

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003 increases the federal Medicaid revenue supporting state psychiatric hospitals and center for persons with developmental disabilities by \$1,136,700, with a corresponding reduction in the CMHSP, Purchase of State Services Contracts dollars, due to the enhanced federal Medicaid match rate (59.31%) which has been received by the Department as a result of Public Law 108-27.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES							
Total average population	1,438.0	995.0	995.0	995.0	995.0	0.0	995.0
Full-time equated classified positions	4,289.0	3,261.9	3,060.4	3,060.4	3,060.4	0.0	3,060.4
Caro regional mental health center-psychiatric hospital--	37,883,800	36,376,400	36,376,400	36,376,500	36,376,400	0	36,376,400
* positions in above line	498.0	472.8	409.2	409.2	409.2	0.0	409.2
Average population	184.0	208.0	167.0	167.0	167.0	0.0	167.0
Kalamazoo psychiatric hospital-adult--* FTE positions	28,169,100	20,568,200	20,568,200	20,568,300	20,568,200	0	20,568,200
* positions in above line	402.0	316.2	317.9	317.9	317.9	0.0	317.9
Average population	136.0	129.0	115.0	115.0	115.0	0.0	115.0
Northville psychiatric hospital-adult--* FTE positions	62,112,400	0	0	0	0	0	0
* positions in above line	844.0	0.0	0.0	0.0	0.0	0.0	0.0
Average population	377.0	0.0	0.0	0.0	0.0	0.0	0.0
Walter P. Reuther psychiatric hospital-adult--* FTE positions	33,427,200	38,718,800	38,718,800	38,718,900	38,718,800	0	38,718,800
* positions in above line	440.0	552.2	452.0	452.0	452.0	0.0	452.0
Average population	232.0	172.0	244.0	244.0	244.0	0.0	244.0
Hawthorn center-psychiatric hospital-children and adolescents	23,703,600	20,370,500	20,370,500	20,370,600	20,370,500	0	20,370,500
* positions in above line	333.0	201.6	242.6	242.6	242.6	0.0	242.6
Average population	118.0	94.0	80.0	80.0	80.0	0.0	80.0
Mount Pleasant center-developmental disabilities--* FTE positions	35,824,400	29,107,100	29,107,100	29,107,200	29,107,100	0	29,107,100
* positions in above line	498.0	425.5	428.1	428.1	428.1	0.0	428.1
Average population	181.0	164.0	164.0	164.0	164.0	0.0	164.0
Center for forensic psychiatry--* FTE positions	41,503,700	41,785,400	41,785,400	41,785,500	41,785,400	0	41,785,400
* positions in above line	522.0	472.6	495.0	495.0	495.0	0.0	495.0
Average population	210.0	228.0	225.0	225.0	225.0	0.0	225.0
Forensic mental health services provided to the department	68,088,700	68,120,600	68,120,600	68,120,700	68,120,600	0	68,120,600
* positions in above line	741.0	810.0	704.6	704.6	704.6	0.0	704.6
Revenue recapture	750,000	750,000	750,000	750,100	750,000	0	750,000
IDEA, federal special education	120,000	120,000	120,000	120,100	120,000	0	120,000
Special maintenance and equipment	335,300	335,300	335,300	335,400	335,300	0	335,300
Purchase of medical services for residents of hospitals and clinics	1,358,200	1,358,200	1,358,200	1,358,300	1,358,200	0	1,358,200
Closed site, transition, and related costs--* FTE positions	1,066,900	1,067,200	1,067,200	1,067,300	1,067,200	0	1,067,200
* positions in above line	11.0	11.0	11.0	11.0	11.0	0.0	11.0
Severance pay	216,900	216,900	216,900	217,000	216,900	0	216,900
Gifts and bequests for patient living and treatment environment	500,000	500,000	500,000	500,100	500,000	0	500,000
GROSS APPROPRIATION	335,060,200	259,394,600	259,394,600	259,396,000	259,394,600	0	259,394,600
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of corrections	68,088,700	68,120,600	68,120,600	68,120,600	68,120,600	0	68,120,600
Federal revenues:							
Total federal revenues	33,145,700	28,708,500	28,708,500	30,004,900	30,004,900	0	30,004,900
Special revenue funds:							
CMHSP, purchase of state services contracts	164,088,400	98,412,200	98,412,200	97,115,800	97,115,800	0	97,115,800
Other local revenues	17,121,200	15,228,300	15,228,300	15,228,300	15,228,300	0	15,228,300
Total private revenues	500,000	500,000	500,000	500,000	500,000	0	500,000
Total other state restricted revenues	10,396,000	7,034,600	7,034,600	7,034,600	7,034,600	0	7,034,600
State general fund/general purpose	41,720,200	41,390,400	41,390,400	41,391,800	41,390,400	0	41,390,400

PUBLIC HEALTH

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
PUBLIC HEALTH APPROPRIATION SUMMARY:							
Full-time equated classified positions	463.0	498.5	490.4	490.4	490.4	0.0	490.4
GROSS APPROPRIATION	435,923,900	479,826,100	479,337,400	487,104,800	497,283,600	(1,000,000)	496,283,600
Interdepartmental grant revenues:							
Total interdepartmental grants and intradepartmental transfers	839,900	839,900	839,900	839,900	839,900	0	839,900
ADJUSTED GROSS APPROPRIATION	435,084,000	478,986,200	478,497,500	486,264,900	496,443,700	(1,000,000)	495,443,700
Federal revenues:							
Total federal revenues	268,945,600	314,662,400	314,067,000	321,903,000	331,063,000	(1,000,000)	330,063,000
Special revenue funds:							
Total local revenues	0	0	0	0	0	0	0
Total private revenues	49,984,000	52,455,400	52,455,400	52,455,400	52,455,400	0	52,455,400
Total other state restricted revenues	27,551,000	34,600,100	34,600,100	34,600,100	34,600,100	0	34,600,100
State general fund/general purpose	88,603,400	77,268,300	77,375,000	77,306,400	78,325,200	0	78,325,200

PUBLIC HEALTH ADMINISTRATION

The Executive Administration line item is reduced by \$37,700 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. A reduction of 5.0 FTEs is made to the line item to reflect the permanent impact of FY 2002-03 early retirements and the elimination of most of the affected positions (1.0 FTE) and to adjust to the current actual number of FTEs supported by this appropriation (4.0 FTEs).

The Minority Health Grants and Contracts line item is reduced by \$113,000 Gross (all GF/GP), eliminating the remainder of GF/GP funding in this line item, which is an annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction in December 2002.

The Vital Records and Health Statistics line item is increased by \$531,200 Gross (\$0 GF/GP) to reflect a projected increase in vital records fee revenue due to continued increase in the volume of vital records services provided.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 106. PUBLIC HEALTH ADMINISTRATION							
Full-time equated classified positions	81.3	81.3	76.3	76.3	76.3	0.0	76.3
Executive administration--* FTE positions	1,052,000	1,014,300	1,014,300	1,014,400	1,014,300	0	1,014,300
* positions in above line	12.0	12.0	7.0	7.0	7.0	0.0	7.0
Minority health grants and contracts	763,000	650,000	650,000	650,100	650,000	0	650,000
Vital records and health statistics--* FTE positions	5,610,500	6,141,700	6,141,700	6,141,800	6,141,700	0	6,141,700
* positions in above line	69.3	69.3	69.3	69.3	69.3	0.0	69.3
GROSS APPROPRIATION	7,425,500	7,806,000	7,806,000	7,806,300	7,806,000	0	7,806,000
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from family independence agen	447,800	447,800	447,800	447,800	447,800	0	447,800
Federal revenues:							
Total federal revenues	2,045,100	2,045,100	2,045,100	2,045,100	2,045,100	0	2,045,100
Special revenue funds:							
Total other state restricted revenues	2,432,200	2,963,400	2,963,400	2,963,400	2,963,400	0	2,963,400
State general fund/general purpose	2,500,400	2,349,700	2,349,700	2,350,000	2,349,700	0	2,349,700

INFECTIOUS DISEASE CONTROL

The AIDS Prevention, Testing, and Care Programs line item is increased by \$1,550,300 Gross (all Federal) to reflect an anticipated increase in Ryan White Title II grant funds for HIV care. An increase of 3.2 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

The Immunization Local Agreements line item is adjusted with a net \$0 Gross (\$200,000 GF/GP reduction) fund source adjustment, replacing \$200,000 of GF/GP with Healthy Michigan Funds, to be used for the same purpose related to immunization registry activities.

The Immunization Program Management and Field Support line item is reduced by \$17,600 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. An increase of 6.3 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

The Sexually Transmitted Disease Control Local Agreements line item is reduced by \$23,400 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2003-3 reduction in February 2003.

The Sexually Transmitted Disease Control Management and Field Support line item is reduced by \$52,800 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. A reduction of 2.5 FTEs is made to the line item to reflect the permanent impact of FY 2002-03 early retirements and the elimination of most of the affected positions. Funding of \$15,000 Gross (all Federal) is eliminated from the line item to reflect motor pool fleet savings.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Sexually Transmitted Disease Control Local Agreements line item appropriation by \$23,400 Gross (all GF/GP). This eliminates 5% of the GF/GP in the line item, reducing funds to local public health department for sexually transmitted disease surveillance and services.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 107. INFECTIOUS DISEASE CONTROL							
Full-time equated classified positions	44.3	44.3	51.3	51.3	51.3	0.0	51.3
AIDS prevention, testing and care programs--* FTE pos	27,608,300	29,158,600	29,158,600	29,158,700	29,158,600	0	29,158,600
* positions in above line	9.8	9.8	13.0	13.0	13.0	0.0	13.0
Immunization local agreements	13,990,300	13,990,300	13,990,300	13,990,400	13,990,300	0	13,990,300
Immunization program management and field support--*	1,599,700	1,582,100	1,582,100	1,582,200	1,582,100	0	1,582,100
* positions in above line	7.7	7.7	14.0	14.0	14.0	0.0	14.0
Sexually transmitted disease control local agreements	3,518,300	3,479,900	3,494,900	3,495,000	3,494,900	0	3,494,900
Sexually transmitted disease control management and f	3,444,900	3,392,100	3,377,100	3,377,200	3,377,100	0	3,377,100
* positions in above line	26.8	26.8	24.3	24.3	24.3	0.0	24.3
GROSS APPROPRIATION	50,161,500	51,603,000	51,603,000	51,603,500	51,603,000	0	51,603,000
Appropriated from:							
Federal revenues:							
Total federal revenues	36,057,700	37,593,000	37,593,000	37,593,000	37,593,000	0	37,593,000
Special revenue funds:							
Total private revenues	1,847,000	1,847,000	1,847,000	1,847,000	1,847,000	0	1,847,000
Total other state restricted revenues	7,350,000	7,550,000	7,550,000	7,550,000	7,550,000	0	7,550,000
State general fund/general purpose	4,906,800	4,613,000	4,613,000	4,613,500	4,613,000	0	4,613,000

LABORATORY SERVICES

The Laboratory Services line item is increased by 2.0 FTEs and \$65,800 Gross (all Federal) to reflect a funding increase anticipated from the federal Epidemiology and Laboratory Capacity grant for laboratory activities. Funds totaling \$1,436,800 Gross (all Federal) are transferred from this line to the Bioterrorism Preparedness line item in the Epidemiology appropriation unit to consolidate all of the bioterrorism preparedness funding within the Department. The line item is reduced by \$63,800 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Laboratory Services line item appropriation by \$81,500 Gross (all GF/GP). This eliminates 1.2% of the GF/GP in the line item, and reduces funds for positions that are vacant and for equipment.

	FY 2002-03	FY 2003-04					
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 108. LABORATORY SERVICES							
Full-time equated classified positions	113.2	115.2	115.2	115.2	115.2	0.0	115.2
Laboratory services--* FTE positions	13,526,400	12,091,600	12,091,600	12,091,700	12,091,600	0	12,091,600
* positions in above line	113.2	115.2	115.2	115.2	115.2	0.0	115.2
GROSS APPROPRIATION	13,526,400	12,091,600	12,091,600	12,091,700	12,091,600	0	12,091,600
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from environmental quality	392,100	392,100	392,100	392,100	392,100	0	392,100
Federal revenues:							
Total federal revenues	3,411,100	2,040,100	2,040,100	2,040,100	2,040,100	0	2,040,100
Special revenue funds:							
Total other state restricted revenues	3,131,300	3,131,300	3,131,300	3,131,300	3,131,300	0	3,131,300
State general fund/general purpose	6,591,900	6,528,100	6,528,100	6,528,200	6,528,100	0	6,528,100

EPIDEMIOLOGY

The AIDS Surveillance and Prevention Program line item is increased by \$110,300 Gross (all Federal) to reflect additional funding anticipated from the federal Outcomes Assessment Through Systems of Integrated Surveillance grant (OASIS), which is part of the Preventive Health Services – Sexually Transmitted Diseases Control grant. A reduction of 7.0 FTEs is made to the line item to reflect that this appropriation does not currently support any FTEs.

The Asthma Prevention and Control line item is increased by \$466,500 Gross (all Federal) to recognize additional funding anticipated from the federal Investigations and Technical Assistance Grant for Asthma, from the Centers for Disease Control and Prevention.

The Bioterrorism Preparedness line item is increased with the following transfers to consolidate all bioterrorism preparedness funding within the Department: \$1,436,800 Gross (all Federal) of funding from the Laboratory Services line item, and \$843,500 Gross (all Federal) of funding from the Epidemiology Administration line item. The line item is increased by 26.5 FTEs and \$42,196,200 Gross (all Federal) to recognize additional funding from the federal grants for Public Health Preparedness and Response for Bioterrorism, and Bioterrorism Hospital Preparedness, and to allow for expenditure of \$2.0 million of grant carry forward funding.

VETO - The Governor vetoed Section 853 boilerplate language, and thereby reduces the appropriation of federal bioterrorism funds by \$1,000,000.

The Epidemiology Administration line item is reduced by 1.0 FTE to reflect the permanent impact of FY 2002-03 early retirements and the elimination of most of the affected positions. The line item is reduced by \$44,100 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. The line item is reduced by \$78,000 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2003-3 reduction in February 2003. Funding increases are made to the line item totaling \$873,700 Gross (all Federal) for the following: 4.0 FTEs and \$371,000 from the Epidemiology and Laboratory Capacity grant for epidemiology activities, \$58,300 from the Tuberculosis Control grant, \$144,400 from a new Human Health Studies Applied Research and Development grant for a project to evaluate the impact of ambient air pollution on adverse birth outcomes, and \$300,000 from a new Maternal and Child Health Special Projects of Regional and National Significance grant for implementation of genetics services to improve genetic health outcomes. Funds for bioterrorism preparedness functions totaling \$843,500 Gross (all Federal) are transferred from this line item to the Bioterrorism Preparedness line item to consolidate all of the bioterrorism preparedness funding within the Department. Apart from other FTE adjustments, an increase of 3.0 FTEs

that was made to the line item is a technical error, as it was related to a federal grant that was not awarded; the related funding increase was dropped.

There are no changes to the Tuberculosis Control and Recalcitrant AIDS Program line item.

FY 2002-03 SUPPLEMENTAL ACTIONS

PUBLIC ACT 39 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 39 increases the Bioterrorism Preparedness line item by \$23,300,000 Gross (all Federal) to recognize additional funding from the federal grants for Public Health Preparedness and Response for Bioterrorism, and Bioterrorism Hospital Preparedness.

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Epidemiology Administration line item appropriation by \$78,000 Gross (all GF/GP). This eliminates 4% of the GF/GP in the line item, and reduces funds for two vacant staff positions.

	FY 2002-03	FY 2003-04	FY 2003-04				
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 109. EPIDEMIOLOGY							
Full-time equated classified positions	64.5	98.0	90.0	90.0	90.0	0.0	90.0
AIDS surveillance and prevention program--* FTE positions	1,772,800	1,883,100	1,883,100	1,883,200	1,883,100	0	1,883,100
* positions in above line	7.0	7.0	0.0	0.0	0.0	0.0	0.0
Asthma prevention and control	565,800	1,032,300	1,032,300	1,032,400	1,032,300	0	1,032,300
Bioterrorism preparedness--* FTE positions	6,103,400	34,157,700	34,157,700	41,420,000	50,579,900	(1,000,000)	49,579,900
* positions in above line	33.0	59.5	59.5	59.5	59.5	0.0	59.5
Epidemiology administration--* FTE positions	5,467,600	6,071,100	5,375,700	5,375,800	5,375,700	0	5,375,700
* positions in above line	24.5	31.5	30.5	30.5	30.5	0.0	30.5
Tuberculosis control and recalcitrant AIDS program	867,000	867,000	867,000	867,100	867,000	0	867,000
GROSS APPROPRIATION	14,776,600	44,011,200	43,315,800	50,578,500	59,738,000	(1,000,000)	58,738,000
Appropriated from:							
Federal revenues:							
Total federal revenues	12,536,100	41,892,800	41,197,400	48,459,600	57,619,600	(1,000,000)	56,619,600
Special revenue funds:							
Total other state restricted revenues	179,000	179,000	179,000	179,000	179,000	0	179,000
State general fund/general purpose	2,061,500	1,939,400	1,939,400	1,939,900	1,939,400	0	1,939,400

LOCAL HEALTH ADMINISTRATION AND GRANTS

The Implementation of 1993 PA 133, MCL 333.17015 line item is adjusted with a net \$0 Gross (\$23,500 GF/GP reduction) fund source change, replacing \$23,500 of GF/GP with state restricted Healthy Michigan Funds, as a correction to reconcile the Executive Recommendation for this appropriation unit.

There are no changes to the Lead Abatement Program line item.

The Local Health Services line item is adjusted with a net \$0 Gross (\$220,000 GF/GP reduction) fund source change, replacing \$220,000 of GF/GP with state restricted Healthy Michigan Funds. The line item is reduced by \$80,300 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction in December 2002.

The Local Public Health Operations line item is reduced by \$150,900 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction in December 2002.

The Medical Services Cost Reimbursement to Local Health Departments line item is increased by \$300,000 Gross (all Federal) in anticipation of increased reimbursements of Medicaid costs incurred by local public health departments.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS							
Full-time equated classified positions	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Implementation of 1993 PA 133, MCL 333.17015	100,000	100,000	100,000	100,100	100,000	0	100,000
Lead abatement program--* FTE positions	1,550,200	1,550,200	1,550,200	1,550,300	1,550,200	0	1,550,200
* positions in above line	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Local health services	300,300	220,000	220,000	220,100	220,000	0	220,000
Local public health operations	40,769,300	40,618,400	40,618,400	40,618,500	40,618,400	0	40,618,400
Medical services cost reimbursement to local health dep	1,500,000	1,800,000	1,800,000	1,800,100	1,800,000	0	1,800,000
GROSS APPROPRIATION	44,219,800	44,288,600	44,288,600	44,289,100	44,288,600	0	44,288,600
Appropriated from:							
Federal revenues:							
Total federal revenues	2,949,100	3,249,100	3,249,100	3,249,100	3,249,100	0	3,249,100
Special revenue funds:							
Total other state restricted revenues	101,100	344,600	344,600	344,600	344,600	0	344,600
State general fund/general purpose	41,169,600	40,694,900	40,694,900	40,695,400	40,694,900	0	40,694,900

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

There are no changes to the African-American Male Health Initiative line item.

There are no changes to the AIDS and Risk Reduction Clearinghouse and Media Campaign line item.

There are no changes to the Alzheimer's Information Network line item.

The Cancer Prevention and Control Program line item is adjusted with a net \$0 Gross (\$106,700 GF/GP reduction) fund source change, replacing \$106,700 of GF/GP with state restricted Healthy Michigan Funds, as a correction to reconcile the Executive Recommendation for this appropriation unit. A reduction of 3.0 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

The Chronic Disease Prevention line item is increased by \$50,000 Gross (all State Restricted) of Healthy Michigan Funds for the child and adult arthritis program.

The Diabetes Program and Kidney Program line item is adjusted with a net \$0 Gross (\$1,801,300 GF/GP reduction) fund source change, replacing \$1,801,300 of GF/GP with state restricted Healthy Michigan Funds.

The Health Education, Promotion, and Research Programs line item is reduced by \$43,400 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. An increase of 8.1 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation. The line item is reduced by \$33,300 Gross (\$100,000 GF/GP) with a funding reduction and fund source change for the osteoporosis program: \$100,000 GF/GP is provided for the program and the \$133,300 of state restricted Healthy Michigan Funds previously supporting the program is eliminated. The line item is reduced by \$53,300 Gross (all GF/GP) as a correction to reconcile the Executive Recommendation for this appropriation unit.

The Injury Control Intervention Project line item is increased by \$290,000 Gross (all Federal) to reflect an anticipated increase of \$290,000 from the federal Core Injury Prevention and Control grant for a targeted injury prevention program focused on fall injury. The line item is reduced by \$166,700 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction made in December 2002, eliminating SAFE Kids program funding.

The Morris Hood Wayne State University Diabetes Outreach line item is increased by \$41,700 Gross (\$250,000 GF/GP) with a funding increase and fund source change: \$250,000 GF/GP is provided for the program and the \$208,300 of state restricted Healthy Michigan Funds previously supporting the program is eliminated.

The Obesity Program line item is reduced by \$13,300 Gross (all GF/GP), which is an annualization of the FY 2002-03 Public Act 519 Budgetary Savings reduction made in December 2002, eliminating state funding for the obesity program.

The Physical Fitness, Nutrition, and Health line item is reduced by \$381,500 Gross (all GF/GP), which is a partial annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction made in December 2002; an appropriation of \$100,000 GF/GP remains for the line item.

The Public Health Traffic Safety Coordination line item is reduced by \$100,000 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2002-22 Budgetary Savings reduction made in December 2002, eliminating funding for the child car seat safety grant program.

The School Health and Education Programs line item is restored with an appropriation of \$500,000 Gross (all GF/GP), for funding for the Michigan Model for Comprehensive School Health Education. This program was funded in the Department's budget through FY 2001-02, and funded in the School Aid budget in FY 2002-03.

The Smoking Prevention Program line item is adjusted with a net \$0 Gross (\$1,208,000 GF/GP reduction) fund source change, replacing \$1,208,000 of GF/GP with state restricted Healthy Michigan Funds. An increase of 5.8 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

There are no changes to the Tobacco Tax Collection and Enforcement line item.

The Violence Prevention line item is adjusted with a net \$0 Gross (all Federal) fund source change, recognizing an increase of \$1,132,800 of federal Injury Prevention and Control, Rape Prevention and Education grant funds and reducing the federal Preventive Health and Health Services Block Grant to this line item by the same amount.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Obesity Program line item appropriation by \$53,300 Gross (all GF/GP). This eliminates the remaining unexpended GF/GP in the line item as of the date of the Executive Order, eliminating state funds for nutrition and physical activity programs to prevent and combat obesity and related chronic diseases.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04	
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03	
Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION								
Full-time equated classified positions	30.7	30.7	41.6	41.6	41.6	0.0	41.6	
African-American male health initiative	106,700	0	106,700	106,800	106,700	0	106,700	
AIDS and risk reduction clearinghouse and media campaign	1,576,000	1,576,000	1,576,000	1,576,100	1,576,000	0	1,576,000	
Alzheimer's information network	440,000	440,000	440,000	440,100	440,000	0	440,000	
Cancer prevention and control program--* FTE positions	11,043,100	11,043,100	11,043,100	11,043,200	11,043,100	0	11,043,100	
* positions in above line	13.6	13.6	10.6	10.6	10.6	0.0	10.6	
Chronic disease prevention	1,572,400	1,572,400	1,572,400	1,572,500	1,622,400	0	1,622,400	
Diabetes and kidney program--* FTE positions	2,953,900	2,953,900	2,953,900	2,954,000	2,953,900	0	2,953,900	
* positions in above line	8.0	8.0	8.0	8.0	8.0	0.0	8.0	
Health education, promotion, and research programs--*	1,168,800	992,100	938,800	1,038,900	1,038,800	0	1,038,800	
* positions in above line	2.9	2.9	11.0	11.0	11.0	0.0	11.0	
Injury control intervention project	591,600	714,900	714,900	715,000	714,900	0	714,900	
Morris Hood Wayne State University diabetes outreach	208,300	0	0	100,000	250,000	0	250,000	
Obesity program	263,300	196,700	250,000	250,100	250,000	0	250,000	
Physical fitness, nutrition, and health	481,500	0	0	100,000	100,000	0	100,000	
Public health traffic safety coordination	450,000	350,000	350,000	350,100	350,000	0	350,000	
School health and education programs	0	0	0	100,000	500,000	0	500,000	
Smoking prevention program--* FTE positions	4,852,700	4,852,700	4,852,700	4,852,800	4,852,700	0	4,852,700	
* positions in above line	6.2	6.2	12.0	12.0	12.0	0.0	12.0	
Tobacco tax collection and enforcement	810,000	810,000	810,000	810,100	810,000	0	810,000	
Violence prevention	1,446,900	1,446,900	1,446,900	1,447,000	1,446,900	0	1,446,900	
GROSS APPROPRIATION	27,965,200	26,948,700	27,055,400	27,456,700	28,055,400	0	28,055,400	
Appropriated from:								
Federal revenues:								
Total federal revenues	15,203,200	15,493,200	15,493,200	15,493,200	15,493,200	0	15,493,200	
Special revenue funds:								
Total other state restricted revenues	7,067,400	9,891,800	9,891,800	9,891,800	9,891,800	0	9,891,800	
State general fund/general purpose	5,694,600	1,563,700	1,670,400	2,071,700	2,670,400	0	2,670,400	

COMMUNITY LIVING, CHILDREN, AND FAMILIES

The Childhood Lead Program line item is increased by \$58,500 Gross (all Federal) to reflect an anticipated funding increase from the federal Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children grant.

The Children's Waiver Home Care Program line item is adjusted by a net \$0 Gross amount (\$612,400 GF/GP reduction) to reflect two changes in the federal Medicaid match rate (FMAP) for FY 2003-04: \$107,300 shift from GF/GP to federal due to the FMAP base rate change from 55.42% to 55.89%, and \$505,100 shift from GF/GP to federal due to one-time federal fiscal relief with an FMAP rate change to 58.84% impacting the first three quarters of FY 2003-04. The line item is reduced by \$1,832,400 Gross (all Federal) to recognize the reduction of federal matching revenue received as a result of the \$1,446,200 GF/GP Public Act 519 Budgetary Savings reduction that was made in FY 2002-03, in December 2002.

The Community Living, Children, and Families Administration line item is reduced by \$88,800 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. A reduction of 8.5 FTEs is made to the line item to reflect the permanent impact of FY 2002-03 early retirements and the elimination of most of the affected positions (1.5) and to adjust to the current actual number of FTEs supported by this appropriation (7.0 FTEs). Funding of \$2,500 Gross (all Federal) is eliminated from the line item to reflect annualization of FY 2002-03 motor pool fleet savings from Executive Order 2003-3 in February 2003.

The Dental Programs line item is reduced by \$12,500 Gross (all GF/GP), to reflect an annualization of the FY 2002-03 Executive Order 2003-3 reduction made in February 2003.

There are no changes to the Dental Program for Persons with Developmental Disabilities line item.

The Early Childhood Collaborative Secondary Prevention line item is restored with an appropriation of \$524,000 Gross (all GF/GP) for this cooperative program with the Family Independence Agency and the Department of Education to fund community-based projects designed to foster healthy child development between 0-3 years of age. This program was funded in the Department's budget in FY 1999-2000 and FY 2000-01.

The Family Planning Local Agreements line item is reduced by \$79,600 Gross (all GF/GP), which is an annualization of the FY 2002-03 Executive Order 2003-3 reduction in February 2003. The line item is increased by \$833,400 Gross (all federal) to reflect an anticipated increase of funding from the federal Title X Family Planning grant. The line item is adjusted with a net \$0 Gross (\$634,600 GF/GP reduction) fund source change, replacing \$634,600 of GF/GP with state

restricted Healthy Michigan Funds, as a correction to reconcile the Executive Recommendation for this appropriation unit. The line item is increased by \$2,250,000 Gross (all Federal) to reflect new Medicaid fund revenue for a proposed expansion of family planning and pregnancy prevention services to low income women under a federal family planning Medicaid waiver that has been requested; existing GF/GP will be used as the state match.

The Family Support Subsidy line item is increased by \$856,400 Gross (all Federal) with Temporary Assistance for Needy Families (TANF) funds to support the anticipated 3.25% caseload increase.

The Housing and Support Services line item is reduced by 1.0 FTE to reflect that this appropriation does not currently support any FTEs.

The Local MCH Services line item is adjusted by a net \$0 Gross (\$1,014,900 GF/GP reduction) funding shift, enabled by a change in the Maternity Outpatient Medical Services (MOMS) program whereby the program will now be primarily funded by federal State Children's Health Insurance Program (SCHIP) Title XXI funding. The line item is adjusted with two net \$0 Gross (\$1,017,200 GF/GP reduction) fund source changes, replacing \$817,200 of GF/GP with state restricted Healthy Michigan Funds, and replacing \$200,000 of GF/GP with federal Maternal and Child Health Block Grant funding, both as corrections to reconcile the Executive Recommendation for this appropriation unit.

The Medicaid Outreach and Service Delivery Support line item is eliminated with a reduction of \$2,162,800 Gross (all Federal) to reflect the loss of federal matching revenue as a result of a GF/GP reduction of the same amount in FY 2002-03, authorized by Public Act 519 Budgetary Savings and made in December 2002. The line item and program are eliminated with a cut of \$2,162,900 Gross (\$1,081,400 GF/GP reduction) which is the removal of the remaining GF/GP, and which results also in the loss of \$1,081,500 of federal Medicaid matching funds. This is an annualization of the FY 2002-03 Public Act 519 Budgetary Savings reduction in December 2002.

There are no changes to the Migrant Health Care line item.

There are no changes to the Newborn Screening Follow-Up and Treatment Services line item.

The Omnibus Budget Reconciliation Act Implementation line item is adjusted by a net \$0 Gross amount (\$83,300 GF/GP reduction) to reflect two changes in the federal Medicaid match rate (FMAP) for FY 2003-04: \$14,600 shift from GF/GP to federal from the FMAP base rate change from 55.42% to 55.89%, and \$68,700 shift from GF/GP to federal due to one-

time federal fiscal relief with an FMAP rate change to 58.84% impacting the first three quarters of FY 2003-04. A reduction of 2.0 FTEs is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

There are no changes to the Pediatric AIDS Prevention and Control line item.

The Pregnancy Prevention Program line item is adjusted with a net \$0 Gross (\$2,048,200 GF/GP reduction) fund source change, replacing \$2,048,200 of GF/GP with state restricted Healthy Michigan Funds.

The Prenatal Care Outreach and Service Delivery Support line item is adjusted with a net \$0 Gross (\$0 GF/GP) fund source change, replacing \$250,000 of state restricted Healthy Michigan Funds with available federal Maternal and Child Health Block Grant funds.

The Southwest Community Partnership line item is reduced by \$550,600 Gross (all Federal) in funding authorization to reflect an anticipated decrease in funds available to the Partnership project from the federal grant for the Comprehensive CMH Services for Children with Serious Emotional Disturbances – Southwest Community Partnership.

The Special Projects line item is increased by \$392,000 Gross (all Federal) to recognize Executive intent to use \$392,000 of available federal Maternal and Child Health Block Grant funds for projects funded in this line item. A reduction of 0.5 FTEs is made to the line item to reflect that this appropriation does not currently support any FTEs.

The Sudden Infant Death Syndrome Program line item is increased by \$100,000 Gross (all Federal) in funding authorization to enable the use of available federal Maternal and Child Health Block Grant funding, replacing GF/GP that was reduced in FY 2002-03 by Executive Order 2003-3 in February 2003.

FY 2002-03 SUPPLEMENTAL ACTIONS

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 173 revises the Children's Waiver Home Care Program line item with a net \$0 Gross (\$503,100 GF/GP reduction) fund source change to reflect a \$503,100 shift from GF/GP to federal due to one-time federal fiscal relief with a federal Medicaid match rate (FMAP) rate change from 55.42% to 58.84% for the last quarter of FY 2003-04.

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the Community Living, Children, and Families Administration line item appropriation by \$15,500 Gross (\$2,500 GF/GP) for FY 2002-03. This eliminates 0.05% of the GF/GP in the line item, which represents fleet savings for motor vehicles under the jurisdiction of the Department. Federal funds of \$13,000 are consequently reduced.

The Dental Programs line item appropriation is reduced by \$12,500 Gross (all GF/GP) for FY 2002-03. This eliminates 5% of the GF/GP in the line item, and reduces funds for the Donated Dental Services Program.

The Family Planning Local Agreements line item appropriation is reduced by \$79,600 Gross (all GF/GP) for FY 2002-03. This eliminates 5% of the GF/GP in the line item, and reduces funds to local public health department and other agencies for family planning services.

The Prenatal Care Outreach and Service Delivery Support line item appropriation is reduced by \$1,250,000 Gross (\$625,000 GF/GP) for FY 2002-03. This eliminates 46.4% of the GF/GP in the line item, and reduces Medicaid revenue for this program in a like amount. A conversion of the existing Maternal and Infant Health Advocacy Services (MIHAS) Program to a new program within the nurse family partnership program is proposed.

The Sudden Infant Death Syndrome Program line item appropriation is reduced by \$100,000 Gross (all GF/GP) for FY 2002-03. This eliminates 50% of the GF/GP in the line item, and reduces funds for services regarding sudden infant death syndrome.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES							
Full-time equated classified positions	84.0	84.0	72.0	72.0	72.0	0.0	72.0
Childhood lead program--* FTE positions	1,412,200	1,470,700	1,470,700	1,470,800	1,470,700	0	1,470,700
* positions in above line	5.0	5.0	5.0	5.0	5.0	0.0	5.0
Children's waiver home care program	21,382,200	19,549,800	19,549,800	19,549,900	19,549,800	0	19,549,800
Community living, children, and families administration--	7,165,400	7,074,100	7,074,100	7,074,200	7,074,100	0	7,074,100
* positions in above line	68.5	68.5	60.0	60.0	60.0	0.0	60.0
Dental programs	497,900	485,400	485,400	485,500	485,400	0	485,400
Dental program for persons with developmental disabilities	151,000	151,000	151,000	151,100	151,000	0	151,000
Early childhood collaborative secondary prevention	0	0	0	100,000	524,000	0	524,000
Family planning local agreements	8,314,300	11,318,100	11,318,100	11,318,200	11,318,100	0	11,318,100
Family support subsidy	14,737,100	15,593,500	15,593,500	15,593,600	15,593,500	0	15,593,500
Housing and support services--* FTE positions	5,579,300	5,579,300	5,579,300	5,579,400	5,579,300	0	5,579,300
* positions in above line	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Local MCH services	13,050,200	13,050,200	13,050,200	13,050,300	13,050,200	0	13,050,200
Medicaid outreach and service delivery support	4,325,700	0	0	0	0	0	0
Migrant health care	200,000	200,000	200,000	200,100	200,000	0	200,000
Newborn screening follow-up and treatment services	2,428,000	2,428,000	2,428,000	2,428,100	2,428,000	0	2,428,000
Omnibus budget reconciliation act implementation--* FT	12,770,500	12,770,500	12,770,500	12,770,600	12,770,500	0	12,770,500
* positions in above line	9.0	9.0	7.0	7.0	7.0	0.0	7.0
Pediatric AIDS prevention and control	1,026,300	1,026,300	1,026,300	1,026,400	1,026,300	0	1,026,300
Pregnancy prevention program	5,846,100	5,846,100	5,846,100	5,846,200	5,846,100	0	5,846,100
Prenatal care outreach and service delivery support	3,049,300	3,049,300	3,049,300	3,049,400	3,049,300	0	3,049,300
Southwest community partnership	1,547,300	996,700	996,700	996,800	996,700	0	996,700
Special projects--* FTE positions	4,882,500	5,274,500	5,274,500	5,274,600	5,274,500	0	5,274,500
* positions in above line	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Sudden infant death syndrome program	221,300	221,300	321,300	321,400	321,300	0	321,300
GROSS APPROPRIATION	108,586,600	106,084,800	106,184,800	106,286,600	106,708,800	0	106,708,800
Appropriated from:							
Federal revenues:							
Total federal revenues	75,356,900	75,704,200	75,804,200	76,378,000	76,378,000	0	76,378,000
Special revenue funds:							
Total private revenues	261,100	261,100	261,100	261,100	261,100	0	261,100
Total other state restricted revenues	7,290,000	10,540,000	10,540,000	10,540,000	10,540,000	0	10,540,000
State general fund/general purpose	25,678,600	19,579,500	19,579,500	19,107,500	19,529,700	0	19,529,700

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS

The Women, Infants, and Children Program Administration and Special Projects line item is increased by \$782,800 Gross (all Federal) in funding authorization for the following adjustments: a \$500,000 increase in the WIC Program grant award for administration costs, and a \$282,800 increase to reflect additional WIC Infrastructure grant funds for completion of existing electronic system projects. The line item is reduced by \$125,000 Gross (all Federal) to eliminate funding authorization for administration of the federal summer food program for children, which the federal government continues to administer in Michigan; the Department indicates that funding is inadequate to cover costs for the state to administer this program. Funding of \$9,000 Gross (all Federal) is eliminated from the line item to reflect annualization of FY 2002-03 motor pool fleet savings from Executive Order 2003-3 in February 2003. A reduction of 1.0 FTE is made to the line item to reflect the current actual number of FTEs supported by this appropriation.

The Women, Infants, and Children Program Local Agreements and Food Costs line item is increased by \$18,709,700 Gross (all Federal) in funding authorization to recognize an anticipated increase in the federal WIC Program grant award. The line item is reduced by \$4,100,000 Gross (all Federal) to eliminate funding authorization for the federal summer food program for children, which the federal government continues to administer in Michigan; the Department indicates that funding is inadequate to cover costs for the state to administer this program. The line item is increased by \$2,471,400 Gross (all Private) to reflect a projected increase in infant formula manufacturer rebate revenue received for infant formula used for the WIC program.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS							
Full-time equated classified positions	42.0	42.0	41.0	41.0	41.0	0.0	41.0
Women, infants, and children program administration and	4,951,300	5,600,100	5,600,100	5,600,200	5,600,100	0	5,600,100
* positions in above line	42.0	42.0	41.0	41.0	41.0	0.0	41.0
Women, infants, and children program local agreements:	164,311,000	181,392,100	181,392,100	181,392,200	181,392,100	0	181,392,100
GROSS APPROPRIATION	169,262,300	186,992,200	186,992,200	186,992,400	186,992,200	0	186,992,200
Appropriated from:							
Federal revenues:							
Total federal revenues	121,386,400	136,644,900	136,644,900	136,644,900	136,644,900	0	136,644,900
Special revenue funds:							
Total private revenues	47,875,900	50,347,300	50,347,300	50,347,300	50,347,300	0	50,347,300
State general fund/general purpose	0	0	0	200	0	0	0

CHILDREN'S SPECIAL HEALTH CARE SERVICES

The Children's Special Health Care Services Administration line item is reduced by \$36,800 Gross (all GF/GP) to reflect early retirement program savings.

There are no appropriation changes to the Amputee Program line item.

The Bequests for Care and Services line item is increased by \$250,000 from private interest earnings in the CSHCS Trust Fund to pay for services that are not covered by Medicaid or Children's Special Health Care Services.

There are no appropriation changes to the Case Management Services line item.

The Conveyor Contract line item is reduced by \$22,800 (all GF/GP) to reflect the annualized savings from the 5% reduction in the contract for medical transportation services included in Executive Order 2003-3.

Federal funds in the Medical Care and Treatment line item are increased by \$572,800 while GF/GP revenues are decreased the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 55.42% to 55.89%. An additional \$2,694,800 (all Federal) is appropriated to recognize the temporary FMAP increase to 58.84% resulting from the federal fiscal relief funding in the Jobs and Growth Tax Relief Reconciliation Act. The line is increased by \$13,947,200 Gross (\$7,392,000 GF/GP) for anticipated inflation, caseload, and utilization growth as proposed by the Executive. It was later reduced \$26,782,100 Gross (\$13,658,900 GF/GP) by the Conference Committee to reflect the staff consensus recommendation. Funding in the amount of \$9,300,000 Gross (\$4,102,200 GF/GP) was removed to recognize savings from requiring CSHCS eligible children to enroll in Medicaid or MIChild if they qualify for either program.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Children's Special Health Care Services Administration line item by \$350,000 GF/GP as part of the administrative savings to be achieved by the Department. This results in the loss of an additional \$100,000 in federal Medicaid matching funds for a total reduction of \$450,000.

The Case Management Services line item is reduced by \$100,000 through eliminating specialized care coordination services for persons enrolled in the Children's Special Health Care Services program with high special needs.

The Conveyor Contract line item is decreased by \$22,800 to reflect a 5% reduction for assistance with medical transportation expenses for disabled children and their families served by the Children' Special Health Care Services program.

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003 appropriates \$2,362,900 in federal Medicaid fiscal relief funds from passage of the Jobs and Growth Tax Relief Reconciliation Act to replace State GF/GP that otherwise would be required to fund the Medicaid program. This represents a temporary increase in the federal share of Medicaid costs from 55.42% to 59.31%.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04	
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED	
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03	
Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES								
Full-time equated classified positions	66.6	66.6	66.6	66.6	66.6	0.0	66.6	
Children's special health care services administration--*	4,515,600	4,478,800	4,478,800	4,478,900	4,478,800	0	4,478,800	
* positions in above line	66.6	66.6	66.6	66.6	66.6	0.0	66.6	
Amputee program	184,600	184,600	184,600	184,700	184,600	0	184,600	
Bequests for care and services	1,579,600	1,829,600	1,829,600	1,829,700	1,829,600	0	1,829,600	
Case management services	3,773,500	3,773,500	3,773,500	3,773,600	3,773,500	0	3,773,500	
Conveyor contract	536,300	513,500	513,500	513,600	513,500	0	513,500	
Medical care and treatment	151,600,000	156,247,200	156,247,200	156,247,300	129,465,100	0	129,465,100	
GROSS APPROPRIATION	162,189,600	167,027,200	167,027,200	167,027,800	140,245,100	0	140,245,100	
Appropriated from:								
Federal revenues:								
Total federal revenues	77,885,400	79,815,600	79,815,600	82,510,400	69,387,200	0	69,387,200	
Special revenue funds:								
Total private revenues	750,000	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000	
Total other state restricted revenues	650,000	650,000	650,000	650,000	650,000	0	650,000	
State general fund/general purpose	82,904,200	85,561,600	85,561,600	82,867,400	69,207,900	0	69,207,900	

**OFFICE OF DRUG CONTROL
POLICY**

OFFICE OF DRUG CONTROL POLICY

There are no changes to the Drug Control Policy line item.

The Anti-Drug Abuse Grants line item is reduced by \$1,800,000 Gross (all Federal) with a transfer of \$1.8 million of Byrne grant funds from this line item to a new line item in this appropriation unit named IDG to Judiciary for Drug Treatment Courts.

A new IDG to Judiciary for Drug Treatment Courts line item is created with a transfer of \$1,800,000 Gross (all Federal) of Byrne grant funds from the Anti-Drug Abuse Grants line item. The funds will be used by the Judiciary for drug treatment courts.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 115. OFFICE OF DRUG CONTROL POLICY							
Full-time equated classified positions	17.0	17.0	17.0	17.0	17.0	0.0	17.0
Drug control policy--* FTE positions	1,973,400	1,973,400	1,973,400	1,973,500	1,973,400	0	1,973,400
* positions in above line	17.0	17.0	17.0	17.0	17.0	0.0	17.0
Anti-drug abuse grants	28,659,200	26,859,200	26,859,200	25,059,300	26,859,200	0	26,859,200
IDG to Judiciary for drug treatment courts	0	1,800,000	1,800,000	3,600,000	1,800,000	0	1,800,000
GROSS APPROPRIATION	30,632,600	30,632,600	30,632,600	30,632,800	30,632,600	0	30,632,600
Appropriated from:							
Federal revenues:							
Total federal revenues	30,246,600	30,246,600	30,246,600	30,246,600	30,246,600	0	30,246,600
State general fund/general purpose	386,000	386,000	386,000	386,200	386,000	0	386,000

**CRIME VICTIM
SERVICES COMMISSION**

CRIME VICTIM SERVICES COMMISSION

The Grants Administration Services line item is increased by \$40,000 Gross (\$0 GF/GP) from federal VOCA funds (\$7,000) and state restricted Crime Victim's Rights Fund monies (\$33,000) for increased administrative costs. The line item is increased by \$100,500 Gross (all State Restricted) to replace \$100,500 of early retirement GF/GP FY 2002-03 reductions with available Crime Victim's Rights Fund monies, enabling the agency to fill two positions vacated by early retirement program participants. The line item is reduced by \$20,500 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002.

The Justice Assistance Grants line item is reduced by \$2,000,000 Gross (all Federal) in funding authorization to reflect the actual federal Victims of Crime Act (VOCA) grant award amount anticipated.

The Crime Victim Rights Services Grants line item is increased by \$610,000 Gross (all State Restricted) to provide Crime Victim's Rights Funds to support the increased demand for local assistance, support, and information services to victims of crime that are coordinated by local prosecutor offices.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 116. CRIME VICTIM SERVICES COMMISSION							
Full-time equated classified positions	9.0	9.0	9.0	9.0	9.0	0.0	9.0
Grants administration services--* FTE positions	960,500	1,080,500	1,080,500	1,080,600	1,080,500	0	1,080,500
* positions in above line	9.0	9.0	9.0	9.0	9.0	0.0	9.0
Justice assistance grants	15,000,000	13,000,000	13,000,000	13,000,100	13,000,000	0	13,000,000
Crime victim rights services grants	7,655,300	8,265,300	8,265,300	8,265,400	8,265,300	0	8,265,300
GROSS APPROPRIATION	23,615,800	22,345,800	22,345,800	22,346,100	22,345,800	0	22,345,800
Appropriated from:							
Federal revenues:							
Total federal revenues	15,939,900	13,946,900	13,946,900	13,946,900	13,946,900	0	13,946,900
Special revenue funds:							
Total other state restricted revenues	7,240,900	7,984,400	7,984,400	7,984,400	7,984,400	0	7,984,400
State general fund/general purpose	435,000	414,500	414,500	414,800	414,500	0	414,500

**OFFICE OF SERVICES
TO THE AGING**

OFFICE OF SERVICES TO THE AGING

There are no changes to the Commission (Per Diem \$50.00) line item.

The Long-Term Care Advisor line item is eliminated with the reduction of 3.0 FTEs and \$152,200 Gross of state restricted tobacco settlement revenue, which is an annualization of the Executive Order 2002-22 Budgetary Savings-related reduction made in FY 2002-03 that eliminated funding for this program in December 2002.

The Office of Services to Aging Administration line item is increased by \$178,200 Gross (all Federal) to recognize an increase in annual funding anticipated for administrative support costs from the federal Older Americans Act Title III grants. The line item is reduced by \$26,500 Gross (all GF/GP) to adjust for savings from employees participating in the 2002 early retirement program and retiring in November 2002. A reduction of 6.0 FTEs is made to the line item to reflect the permanent impact of FY 2002-03 early retirements and the elimination of most of the affected positions.

The Community Services line item is increased by \$1,458,800 Gross (all Federal) to recognize an increase in annual funding anticipated from federal Older Americans Act Title III grants for community services, and from Medicaid Title XIX for targeted care management.

The Nutrition Services line item is increased by \$1,643,900 Gross (all Federal) to recognize an increase in annual funding anticipated from federal Older Americans Act Title III grants for nutrition services.

There are no changes to the Senior Volunteer Services line item.

There are no changes to the Senior Citizen Centers Staffing and Equipment line item.

There are no changes to the Employment Assistance line item.

There are no changes to the Respite Care Program line item.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the Community Services line item appropriation by \$225,600 Gross (all GF/GP) for FY 2002-03. This reduction decreases in-home care and care management services.

The Senior Volunteer Services line item appropriation is reduced by \$115,200 Gross (all GF/GP) for FY 2002-03. This eliminates 2% of the remaining GF/GP in the line item, and reduces funds for three federally supported volunteer programs for senior citizens.

The Senior Citizen Centers Staffing and Equipment line item appropriation is reduced by \$21,800 Gross (all GF/GP) for FY 2002-03. This eliminates 2% of the remaining GF/GP in the line item, and reduces funds to senior citizen centers to support staffing costs.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 117. OFFICE OF SERVICES TO THE AGING							
Full-time equated classified positions	41.5	31.5	32.5	32.5	32.5	0.0	32.5
Commission (per diem \$50.00)	10,500	10,500	10,500	10,600	10,500	0	10,500
Long-term care advisor--* FTE positions	152,200	0	0	0	0	0	0
* positions in above line	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of services to aging administration--* FTE positions	4,016,100	4,167,800	4,167,800	4,167,900	4,167,800	0	4,167,800
* positions in above line	38.5	31.5	32.5	32.5	32.5	0.0	32.5
Community services	33,827,300	35,286,100	35,286,100	35,286,200	35,286,100	0	35,286,100
Nutrition services	36,547,300	38,191,200	38,191,200	38,191,300	38,191,200	0	38,191,200
Senior volunteer services	5,645,900	5,645,900	5,645,900	5,646,000	5,645,900	0	5,645,900
Senior citizen centers staffing and equipment	1,068,700	1,068,700	1,068,700	1,068,800	1,068,700	0	1,068,700
Employment assistance	2,818,300	2,818,300	2,818,300	2,818,400	2,818,300	0	2,818,300
Respite care program	7,100,000	7,100,000	7,100,000	7,100,100	7,100,000	0	7,100,000
GROSS APPROPRIATION	91,186,300	94,288,500	94,288,500	94,289,300	94,288,500	0	94,288,500
Appropriated from:							
Federal revenues:							
Total federal revenues	48,813,400	52,094,300	52,094,300	52,094,300	52,094,300	0	52,094,300
Special revenue funds:							
Tobacco settlement revenue	5,152,200	5,000,000	5,000,000	5,000,000	5,000,000	0	5,000,000
Total other state restricted revenues	2,267,000	2,267,000	2,267,000	2,267,000	2,267,000	0	2,267,000
State general fund/general purpose	34,953,700	34,927,200	34,927,200	34,928,000	34,927,200	0	34,927,200

MEDICAL SERVICES

MEDICAL SERVICES ADMINISTRATION

The Medical Services Administration line item is reduced by \$238,200 Gross (all GF/GP) to reflect early retirement program savings. A reduction of \$1,650,000 Gross (\$412,500 GF/GP) is taken to reflect the annualized administrative savings included in Executive Order 2003-3. In addition, \$1,455,100 in Federal matching funds are allocated for the Department's contract with the MSU Institute for Managed Care.

There are no appropriation changes to the Facility Inspection Contract – State Police and MIChild Administration lines.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Medical Services Administration line item by \$100,000 GF/GP as part of the administrative savings to be achieved by the Department. Fleet savings of \$7,500 GF/GP and postage savings of \$412,500 GF/GP from conversion to Medicaid plastic eligibility cards are also included. These actions result in the loss of an additional \$1,345,000 in federal Medicaid matching funds for a total reduction of \$1,865,000.

	FY 2002-03	FY 2003-04						
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED		FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL		VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03		11-Aug-03	11-Aug-03
Sec. 118. MEDICAL SERVICES ADMINISTRATION								
Full-time equated classified positions	333.7	333.7	333.7	333.7	333.7		0.0	333.7
Medical services administration--* FTE positions	39,753,000	39,319,900	39,319,900	39,320,000	39,319,900		0	39,319,900
* positions in above line	333.7	333.7	333.7	333.7	333.7		0.0	333.7
Facility inspection contract - state police	132,800	132,800	132,800	132,900	132,800		0	132,800
MiChild administration	4,327,800	4,327,800	4,327,800	4,327,900	4,327,800		0	4,327,800
GROSS APPROPRIATION								
Appropriated from:	44,213,600	43,780,500	43,780,500	43,780,800	43,780,500		0	43,780,500
Federal revenues:								
Total federal revenues	29,294,700	29,512,300	29,512,300	29,512,300	29,512,300		0	29,512,300
Special revenue funds:								
State general fund/general purpose	14,918,900	14,268,200	14,268,200	14,268,500	14,268,200		0	14,268,200

MEDICAL SERVICES

Medicaid base adjustments are reflected in the budget to recognize current Medicaid expenditure trends and projected inflation, caseload, and utilization growth in various Medical Services program line items. The initial Medicaid base adjustments assumed in the budget and the consensus staff estimates that were both adopted in the enacted budget are summarized below:

Medical Services Line Item	Initial Medicaid Base Adjustment	Staff Consensus Base Adjustment
Hospital Services	\$75,652,500	(\$18,750,000)
Physician Services	\$28,235,800	\$21,697,500
Medicare Premium Payments	\$12,446,600	\$6,617,100
Pharmaceutical Services	\$59,051,700	\$39,786,800
Home Health Services	\$2,217,400	\$7,513,500
Transportation	\$618,200	(\$379,900)
Auxiliary Medical Services	\$5,581,500	\$5,916,400
Long Term Care Services	\$69,453,700	(\$9,091,000)
Health Plan Services	\$110,502,200	\$28,260,200
Total	\$356,958,400	\$81,570,600

The Hospital Services and Therapy line is reduced by \$8,728,700 Gross (all Federal) to recognize the loss of federal matching funds associated with the FY 2002-03 budgetary savings measures taken by the Department. Savings of \$1,263,400 Gross (\$557,300 GF/GP) are taken for annualizing the partial year budgetary savings removed in FY 2002-03 that reduced hospital payment rates. The annualizing of the partial year savings from lowering hospital payments in Executive Order 2002-22 results in a reduction of \$3,364,400 Gross (\$1,603,100 GF/GP). Funding is restored in the amount of \$4,659,300 Gross (\$2,077,100 GF/GP) to reverse the transfer of funds in FY 2002-03 to the MIFamily Program that was never implemented. Medicaid caseload/utilization adjustments totaling \$54,635,400 Gross (\$24,099,700 GF/GP) were adopted. \$6,136,000 Gross (\$1,894,800 GF/GP) is appropriated for the continued phase in of Medicaid treatment services for women with breast and cervical cancer who have income up to 250% of poverty.

Hospital funding is reduced by \$9,068,200 Gross (\$4,000,000 GF/GP) due to expected savings from implementing an ambulatory patient grouper reimbursement methodology for outpatient services. \$28,299,400 Gross (\$11,781,500 Restricted) is added to recognize the revised amount of the hospital quality assurance assessment program and to make a technical correction in the original FY 2002-03 funding. A technical correction is also included that increases funding for the psychiatric residency program by \$3,635,100 Gross and reflects the university match for the program as restricted rather than private revenue. \$50,000,000 Gross (\$15,055,000 Restricted) is appropriated to provided funding to the Detroit Medical Center to address budget shortfalls at Detroit Receiving Hospital and Hutzel Hospital.

There are no appropriation changes to the Hospital Disproportionate Share Payments line item.

The Physician Services line item is increased by \$47,666,200 Gross (\$21,025,600 GF/GP) for Medicaid caseload/utilization adjustment. Funding is restored in the amount of \$2,912,100 Gross (\$1,298,200 GF/GP) to reverse the transfer of funds in FY 2002-03 to the MIFamily Program that was never implemented.

In the Medicare Premium Payments line item, Medicaid caseload/utilization adjustments totaling \$19,063,700 Gross (\$8,409,000 GF/GP) were adopted.

For Pharmaceutical Services, Medicaid caseload/utilization adjustments totaling \$96,571,500 Gross (\$42,597,700 GF/GP) were adopted. The line item is reduced by \$3,132,600 Gross (all Federal) to recognize the loss of federal matching funds associated with the FY 2002-03 budgetary savings measures taken by the Department. Annualizing the partial year savings for Pharmaceutical Services due to the multi-state compact and lower maximum allowable cost pricing for generic drugs included in Executive Order 2003-3 results in a reduction of \$22,431,600 Gross (\$10,000,000 GF/GP) . An additional cut of \$68,011,800 Gross (\$30,000,000 GF/GP) is made to reflect further savings from these cost savings initiatives in FY 2003-04. \$7,030,900 Gross (\$4,531,400 GF/GP) is also removed from the line item to address several budgetary savings proposals in the mental health area that were rejected by the Legislature. Funding is restored in the amount of \$4,076,900 Gross (\$1,817,500 GF/GP) to reverse the transfer of funds in FY 2002-03 to the MIFamily Program that was never implemented. Savings from enrolling aged spend-down beneficiaries under 150% of the poverty level in the EPIC-EX program results in a decrease of \$4,307,400 Gross (\$1,900,000 GF/GP).

The Home Health Services line is reduced by \$16,900 Gross (all Federal) to recognize the loss of federal matching funds associated with the FY 2002-03 budgetary savings measures taken by the Department. Savings of \$22,000 Gross (\$9,700 GF/GP) are taken for annualizing the partial year budgetary savings removed in FY 2002-03 that reduced home health payment rates. The annualizing of the partial year savings from lowering home health payments in Executive

Order 2002-22 results in a reduction of \$32,100 Gross (\$14,200 GF/GP). Medicaid caseload/utilization adjustments totaling \$9,730,900 Gross (\$4,292,300 GF/GP) were adopted.

For Transportation Services, Medicaid caseload/utilization adjustments totaling \$238,300 Gross (\$119,200 GF/GP) were adopted.

In the Auxiliary Medical Services line item, Medicaid caseload/utilization adjustments totaling \$11,497,900 Gross (\$5,071,700 GF/GP) were adopted. A reduction of \$27,204,700 Gross (\$12,000,000 GF/GP) reflects the elimination of Medicaid coverage for non-emergency adult dental care, podiatric, chiropractic, and hearing aid services. The Legislature restored \$6,801,200 Gross (\$3,000,000 GF/GP) to maintain podiatric, chiropractic, and hearing aid services, but this action was vetoed by the Governor.

VETO – The Governor vetoed Section 1630 boilerplate language authorizing podiatric, chiropractic, and hearing aid services resulting in a reduction to the Auxiliary Medical Services line item by \$6,801,200 Gross (\$3,000,000 GF/GP).

There are no appropriation changes to the Ambulance Services line item that is funded at the level of \$5,000,000. Ambulance Services is maintained as a separate line item which the Governor proposed to roll up with the Auxiliary Medical Services line.

The Long Term Care Services line is reduced by \$2,334,800 Gross (all Federal) to recognize the loss of federal matching funds associated with the FY 2002-03 budgetary savings measures taken by the Department. Savings of \$3,042,200 Gross (\$1,341,900 GF/GP) are taken for annualizing the partial year budgetary savings removed in FY 2002-03 that reduced nursing home payment rates. The annualizing of the partial year savings from lowering nursing home payments in Executive Order 2002-22 results in a reduction of \$29,413,400 Gross (\$12,974,300 GF/GP). Medicaid caseload/utilization adjustments totaling \$60,362,700 Gross (\$26,625,900 GF/GP) were adopted. A reduction of \$45,341,200 Gross (\$20,000,000 GF/GP) reflects savings from implementation of a Medicaid estate recovery program, a new long term care screening process, and requiring nursing homes to manage pharmaceutical services and pursue Medicare payments. \$50,000,000 Gross (all Federal) is added to restore federal revenues and \$20,816,200 Gross (all Federal) for Personal Care Services that were eliminated when the Long Term Care Services and Personal Care Services lines in P.A. 519 of 2002 were vetoed. An increase of \$6,348,700 Gross (\$2,830,300 GF/GP) is included to provide a reimbursement allowance to county medical care facilities for the quality assurance assessment program.

\$152,800 in tobacco settlement revenue is transferred to Long-Term Care Services from the Long Term Care Advisor line item to replace GF/GP and \$192,800 in federal Medicaid matching revenue is also recognized. Also included is \$145,045,600 Gross (\$63,507,000 Restricted) to reflect updated estimates for the nursing home quality assurance assessment program.

The Elder Prescription Insurance Coverage (EPIC) line item is reduced by \$8,000,000 Gross (all Private) to reflect the conversions of EPIC drug rebate payments to expenditure credits rather than counting such payments as revenue. Excess Federal authorization is also removed from EPIC in the amount of \$68,988,200 Gross (all Federal) that was added in the prior fiscal year for the proposed Medicare Low Income Drug Assistance Initiative and the Medicaid Pharmacy Plus Waiver program.

The Health Plan Services line is reduced by \$4,627,400 Gross (all Federal) to recognize the loss of federal matching funds associated with the FY 2002-03 budgetary savings measures taken by the Department. Savings of \$4,222,900 Gross (\$1,862,700 GF/GP) are taken for annualizing the partial year budgetary savings removed in FY 2002-03 that reduced HMO payment rates. The annualizing of the partial year savings from lowering HMO payments in Executive Order 2002-22 results in a reduction of \$55,545,300 Gross (\$24,501,000 GF/GP). Medicaid caseload/utilization adjustments totaling \$138,762,400 Gross (\$61,208,100 GF/GP) were adopted. A reduction of \$108,592,200 Gross (\$47,900,000 GF/GP) assumes savings from a more limited Medicaid benefit package for healthy adults under the Medicaid Adult Benefits Waiver proposal. A limited case payment to hospitals for services provided under the waiver is also reflected in the savings. \$42,177,300 Gross (all GF/GP) is transferred back to the Community Mental Health Non-Medicaid Services line item that had previously been shifted as part of the CMH quality assurance assessment initiative which the Governor vetoed last year. \$146,031,600 Gross (\$109,844,200 Local) is added to restore funding that was eliminated when the Health Plan Services line item in P.A. 519 of 2002 was vetoed. Also included is \$84,072,900 Gross (\$35,570,500 Restricted) to reflect updated estimates for the HMO quality assurance assessment program.

The MICHild program line item is reduced by \$23,067,100 (all Federal) to reflect current expenditure levels. In addition, \$10,000,000 GF/GP is added to replace the former soft state match funds for the program. A reduction of \$7,124,400 Gross (\$2,200,000 GF/GP) assumes savings from converting the MICHild Program to a Medicaid expansion and the enrollment of eligible children into Medicaid HMOs.

The MIFamily Plan line item is eliminated since the program was never implemented and the funds that had previously transferred to establish the program were returned to the former line items or to the new Medicaid Adult Benefits Waiver line.

A new Medicaid Adult Benefits Waiver line item is established with the transfer of \$116,758,000 Gross (\$23,348,000 GF/GP) from the former MIFamily Plan that was never implemented. A caseload/utilization increase of \$14,699,600 Gross (\$6,484,000 GF/GP) reflects added costs for the State Medical Program that is being incorporated in the new waiver program. Federal funds in the amount of \$12,352,100 are used to replace GF/GP due to the redirection of Hospital DSH payments currently used to support state and local indigent medical programs. \$47,250,000 Gross (\$20,590,800 GF/GP) is restored to provide a limited Medicaid coverage for caretaker relatives. The funding for this eligibility group was previously eliminated through Executive Order 2002-22.

There are no appropriation changes to the Maternal and Child Health line item.

There are no appropriation changes to the Social Services to the Physically Disabled line item.

There are no appropriation changes to the School-Based Services line item.

Funding for Special Adjustor Payments is decreased by 256,662,800 Gross (\$146,685,900 GF/GP) to reflect federal restrictions on the amount of such payments under new "Upper Payment Limit" regulations. The special adjustor payments earn federal matching funds and reduce the amount of state funds needed for the Medicaid program. The line item is increased by \$34,000,000 Gross, but GF/GP is decreased by \$14,252,000 to recognize a new Medicaid special financing payment with practitioner groups affiliated with public hospitals proposed in conjunction with Executive Order 2003-3.

Federal funding is increased by \$27,906,300 and GF/GP decreased by the same amount to reflect a change in the federal Medicaid matching rate (FMAP) from 55.42% to 55.89 %. The FMAP rate varies from year to year based on a formula related to state per capita income levels. An additional \$133,457,700 is appropriated to recognize the temporary FMAP increase to 58.84% resulting from the federal fiscal relief funding in the Jobs and Growth Tax Relief Reconciliation Act. \$17,200,000 GF/GP is replaced with the same amount of Healthy Michigan Funds for ongoing Medicaid program costs. Replaces \$286,000,000 in one-time funding from the Medicaid Benefits Trust Fund with GF/GP and allocates an additional \$25,000,000 from the Medicaid Benefits Trust Fund in place of the same amount of GF/GP revenues to fund Medical Services programs at the appropriated level.

One-time carry forward funding of \$6,000,000 from the Healthy Michigan Fund utilized in FY 2002-03 is replaced with the same amount of GF/GP. \$27,231,800 in additional Tobacco Settlement Revenue is appropriated in place of GF/GP. An additional \$56,700,000 in restricted funds from the hospital and nursing home quality assurance assessments and a new

pharmacy assessment fee are recognized to replace GF/GP. The state would retain \$18.9 million from each of the provider assessments and utilize the remaining revenue to finance a Medicaid payment increase.

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces the FY 2002-03 Pharmaceutical Services line item by \$10,000,000 GF/GP. This results in the loss of an additional \$12,431,600 in federal Medicaid matching funds. The savings are to be achieved through lower maximum allowable cost pricing for generic drugs increased drug rebates and revisions to the preferred drug list.

PUBLIC ACT 39 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 39 of 2003 restores \$196,031,600 Gross (\$109,844,200 Local and \$86,187,400 Federal) that was eliminated when the Medicaid Long-Term Care and Health Maintenance Organizations line items were vetoed by the Governor in Public Act 519 of 2002, the FY 2002-03 Community Health Appropriations Act. Of the \$196,031,600 total, \$50,000,000 is allocated to the Long-Term Care Services line item, and \$98,001,500 is added to the Health Plan Services line item. An additional \$48,030,100 is shifted to the Hospital Services and Therapy line item to reflected anticipated expenditure needs.

The Special Adjustor Payments line item is increased by \$8,841,600 Gross (all Local) for a new Medicaid special financing payment to practitioner groups affiliated with public hospitals proposed in conjunction with Executive Order 2003-3. The new payment would increase federal funds by \$4,900,000 and result in net GF/GP savings of the same amount.

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Public Act 173 of 2003 appropriates \$268,110,000 Gross (\$119,520,000 GF/GP) to cover increased costs in various Medical Services line items attributable to Medicaid caseload and utilization growth. \$118,521,000 in federal Medicaid fiscal relief funds from passage of the Jobs and Growth Tax Relief Reconciliation Act are appropriated to replace State GF/GP that otherwise would be required to fund the Medicaid program. This represents a temporary increase in the federal share of Medicaid costs from 55.42% to 59.31%.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 119. MEDICAL SERVICES							
Hospital services and therapy	767,956,000	831,709,400	833,077,400	835,344,600	892,626,500	0	892,626,500
Hospital disproportionate share payments	45,000,000	45,000,000	45,000,000	45,000,100	45,000,000	0	45,000,000
Physician services	176,587,900	207,735,800	205,468,700	207,735,900	227,166,200	0	227,166,200
Medicare premium payments	153,600,000	166,046,600	166,046,600	166,046,700	172,663,700	0	172,663,700
Pharmaceutical services	521,491,500	479,705,800	477,438,800	479,705,800	517,225,600	0	517,225,600
Home health services	26,741,500	28,887,900	28,887,900	28,888,000	36,401,400	0	36,401,400
Transportation	8,300,000	8,918,200	8,918,200	8,918,300	8,538,300	0	8,538,300
Auxiliary medical services	90,300,000	73,676,800	75,478,000	75,705,100	88,195,600	(6,801,200)	81,394,400
Ambulance services	5,000,000	0	5,000,000	5,000,100	5,000,000	0	5,000,000
Long-term care services	1,423,710,600	1,490,390,400	1,490,390,400	1,490,390,500	1,626,345,000	0	1,626,345,000
Elder prescription insurance coverage	145,000,000	68,011,800	68,011,800	68,011,900	68,011,800	0	68,011,800
Health plan services	1,395,659,700	1,437,028,400	1,437,028,400	1,490,102,700	1,549,361,500	0	1,549,361,500
MIChild program	57,067,100	36,875,600	36,875,600	36,875,700	36,875,600	0	36,875,600
MIFamily plan	191,091,900	0	0	0	0	0	0
Medicaid Adult Benefits Waiver	0	178,707,600	178,707,600	178,707,700	178,707,600	0	178,707,600
Maternal and child health	9,234,500	9,234,500	9,234,500	9,234,600	9,234,500	0	9,234,500
Social services to the physically disabled	1,344,900	1,344,900	1,344,900	1,345,000	1,344,900	0	1,344,900
Transfer to Medicaid trust fund	0	0	0	69,593,400	0	0	0
Subtotal basic medical services program	5,018,085,600	5,063,273,700	5,066,908,800	5,196,606,100	5,462,698,200	(6,801,200)	5,455,897,000
School-based services	65,094,200	69,159,500	69,159,500	69,159,600	69,159,500	0	69,159,500
Special adjustor payments	1,014,000,900	791,338,100	791,338,100	791,338,200	791,338,100	0	791,338,100
Subtotal special medical services payments	1,079,095,100	860,497,600	860,497,600	860,497,800	860,497,600	0	860,497,600
GROSS APPROPRIATION	6,097,180,700	5,923,771,300	5,927,406,400	6,057,103,900	6,323,195,800	(6,801,200)	6,316,394,600
Appropriated from:							
Federal revenues:							
Total federal revenues	3,487,953,100	3,381,952,800	3,383,530,400	3,544,328,000	3,734,905,000	(3,801,200)	3,731,103,800
Special revenue funds:							
Total local revenues	757,549,500	666,912,000	666,912,000	666,912,000	673,912,000	0	673,912,000
Total private revenues	13,126,700	5,126,700	3,512,700	3,512,700	3,512,700	0	3,512,700
Tobacco settlement revenue	65,616,000	192,316,000	132,468,200	132,468,300	93,000,000	0	93,000,000
Total other state restricted revenues	674,506,100	447,376,800	450,859,700	450,859,700	576,773,700	0	576,773,700
State general fund/general purpose	1,098,429,600	1,230,087,000	1,290,123,400	1,259,023,200	1,241,092,400	(3,000,000)	1,238,092,400

NOTE: Due to a \$300 discrepancy between revenue sources and appropriations in PA 562 of 2002, Year-To-Date appropriations do not equal revenues.

**INFORMATION TECHNOLOGY
BUDGETARY SAVINGS**

INFORMATION TECHNOLOGY

Funding for the Information Technology Services and Projects line item is reduced by \$172,800 Gross (all GF/GP) to recognize savings achieved due to the early retirement plan for state employees enacted in PA 93 of 2002 amendments to the State Employees Retirement Act. Funds for the Information Technology Services and Projects line item are reduced by \$1,769,500 Gross (\$1,596,300 GF/GP) anticipating savings from information technology services and projects. The savings amount contained in Executive Order 2003-3 for the Information Technology Services and Projects line item is rounded by \$48 Gross (\$12 GF/GP).

FY 2002-03 SUPPLEMENTAL ACTIONS

EXECUTIVE ORDER 2003-3

Executive Order 2003-3 reduces funds for the Information Technology Services and Projects line item by \$2,082,352 Gross (\$874,588 GF/GP). This reduction reflects savings achieved through administrative efficiencies and contract reductions.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 120. INFORMATION TECHNOLOGY							
Information technology services and projects	32,558,348	30,616,000	30,616,000	30,616,100	30,616,000	0	30,616,000
GROSS APPROPRIATION	32,558,348	30,616,000	30,616,000	30,616,100	30,616,000	0	30,616,000
Appropriated from:							
Interdepartmental grant revenues:							
Interdepartmental grant from the department of correctio	142,700	142,700	142,700	142,700	142,700	0	142,700
Federal revenues:							
Total federal revenues	17,477,436	17,304,200	17,304,200	17,304,200	17,304,200	0	17,304,200
Special revenue funds:							
Total other state restricted revenues	1,793,800	1,793,800	1,793,800	1,793,800	1,793,800	0	1,793,800
State general fund/general purpose	13,144,412	11,375,300	11,375,300	11,375,400	11,375,300	0	11,375,300

BUDGETARY SAVINGS

The budgetary savings amount of \$4,531,400 Gross (all GF/GP) is reversed. The budgetary savings amount is satisfied through an adjustment to the Pharmaceutical Savings line item.

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2003-04		
FY 2003-04	COMM. HEALTH	EXECUTIVE	HOUSE	SENATE	ENROLLED	FY 2003-04	FY 2003-04
PUBLIC ACT 159 OF 2003 (H.B. 4392)	YEAR-TO-DATE	RECOMMEND.	RECOMMEND.	RECOMMEND.	BILL	VETOES	ENACTED
DEPARTMENT OF COMMUNITY HEALTH	6-Mar-03	6-Mar-03	3-Apr-03	17-Jun-03	16-Jul-03	11-Aug-03	11-Aug-03
Sec. 121. BUDGETARY SAVINGS							
Budgetary savings	(4,531,400)	0	0	0	0	0	0
GROSS APPROPRIATION	(4,531,400)	0	0	0	0	0	0
Appropriated from:							
Special revenue funds:							
State general fund/general purpose	(4,531,400)	0	0	0	0	0	0

BOILERPLATE

GENERAL SECTIONS BOILERPLATE

Sec. 201. State Spending

Totals the state spending from state resources under Part 1 for Fiscal Year (FY) 2003-04 and state spending from state resources to be paid to local units of government for FY 2003-04.

Sec. 202. Authorized Appropriations

Provides that appropriations authorized under this act are subject to provisions of the Management and Budget Act. Provides that funds in which the state acts as a custodian or agent are not subject to an annual appropriation.

Sec. 203. Terms and Acronyms

Provides definitions for terms and acronyms used in the appropriations act.

Sec. 204. Civil Service Charges

Requires the Department of Civil Service to bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by the State Constitution of 1963. Requires payments for the total billing be made by the end of the second fiscal quarter.

Sec. 205. Hiring Freeze

Imposes a hiring freeze on the state classified civil service employees, except for internal transfers of classified employees from one position to another within a department. Exceptions to the hiring freeze are also granted when it results in the Department being unable to deliver basic services, cause loss of revenue to the state, and results in the inability of the state to receive federal funds. Requires a quarterly report to the Chairpersons of the House of Representatives and Senate Appropriations Committees on the number of exceptions to the approved hiring freeze.

Sec. 207. Privatization

Requires the Department to submit a complete project plan to the appropriate House of Representatives and Senate Appropriations Subcommittees and the House and Senate Fiscal Agencies 60 days before beginning any effort to privatize services.

Sec. 208. Internet Reporting Requirements

Requires the Department to use the Internet to fulfill the reporting requirements of this act.

Sec. 209. American Goods or Services and Michigan Goods or Services

Prohibits the use of appropriated funds for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Prohibits the use of appropriated funds for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

Sec. 210. Businesses in Deprived and Depressed Communities

Requires the Director of the Department to take reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Encourages the Director to subcontract with certified businesses in deprived and depressed communities for services or supplies, or both. Requires the Director to take reasonable steps to ensure equal opportunity for all who compete for and perform contracts to provide services or supplies, or both.

Sec. 211. Fee Revenue

Allows fee revenue to be carried forward, with the approval of the State Budget Director, into the next fiscal year and to be used as the first source of funding in that fiscal year.

Sec. 212. Caps on Funds Expended

Caps the funds expended from the federal maternal and child health block grant, federal preventive health and health services block grant, federal substance abuse block grant, healthy Michigan fund, and Michigan initiative fund. Requires a report by February 1, 2004, on the FY 2003-04 appropriations fund sources by line item appropriations. Requires a report on the amount and sources of funds proposed to support the FY 2004-05 Executive Budget Recommendation upon release of the budget. Requires all revenue source detail for consolidated revenue line item detail to be provided upon a request to the Department.

Sec. 213. Report on Tobacco Tax Funds

Requires state departments, agencies, and commissions receiving tobacco tax funds to report on programs utilizing these funds by January 1, 2004, to the House of Representatives and Senate Appropriations Committees, the House and Senate Fiscal Agencies, and the State Budget Director.

Sec. 214. Use of Tobacco Tax Revenue

Prohibits the use of tobacco tax revenue deposited in the healthy Michigan fund for lobbying as defined in Public Act 472 of 1978.

Sec. 216. Use of Prior-Year Revenues

Allows the use of prior-year revenues for the write-offs of accounts receivables, deferrals, and prior-year obligations. Does not limit the Department's ability to satisfy appropriation deductions in Part 1 to collections and accruals provided in FY 2003-04. Requires the Department to report by March 15, 2004 on all reimbursements, refunds, adjustments, and settlements from prior years to the House of Representatives and Senate Appropriations Subcommittees on Community Health.

Sec. 218. Basic Health Services

Lists the basic health services embodied in Part 23 of the Public Health Code that are to be available and accessible throughout the state.

Sec. 219. DCH Contracts with the Michigan Public Health Institute

Allows the Department to contract with the Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires the Department to report on each funded project by November 1, 2003, and May 1, 2004, to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director. Provides that reports not received by the specified dates will result in the nondisbursement of funds to the Institute until the overdue reports are received. Requires the Department to provide copies of all reports, studies, and publications produced by the Institute by September 30, 2004.

Sec. 220. Audits of Michigan Public Health Institute Contracts

Requires all contracts with the Michigan Public Health Institute that are funded with Part 1 appropriations to include a provision requiring financial and performance audits by the State Auditor General.

Sec. 223. Fees for Publications, Videos, Conferences, and Workshops

Allows the Department to establish and collect fees for publications, videos and related materials, conferences, and workshops. Requires collected fees to be used to offset expenditures for printing and mailing costs of publications, videos and related materials, and the costs of conferences and workshops.

Sec. 259. *User Fees for Information Technology Services and Projects*

Requires the Department to pay user fees to the Department of Information Technology for technology-related services and projects from the Part 1 appropriated funds for information technology. Subjects the user fees to provisions of an interagency agreement between the department and agencies, and the Department of Information Technology.

Sec. 260. *Information Technology Work Projects*

Permits the designation of Part 1 appropriated funds for information technology as work projects. Provides that funds designated for work projects are not available for expenditure until approved as work projects under Section 451a of the Management and Budget Act.

Sec. 262. *Expenditure of Appropriated Funds*

Requires the Department to provide a written explanation for all legislative transfers upon submission of the request for the legislative transfer by the Department of Management and Budget. Requires the explanation to include reasons for not fully expending appropriated funds. Requires the Department to provide an annual report of lapses by line item for this appropriation act.

Sec. 264. *Submission of Medicaid Waiver*

Requires the Department to notify the House of Representatives and Senate Appropriations Subcommittees on Community Health and the House and Senate Fiscal Agencies upon the submission of a Medicaid waiver, a Medicaid state plan amendment, or similar proposal to the Centers for Medicare and Medicaid Services.

Sec. 265. *Retention of Reports*

Requires departments and agencies receiving Part 1 appropriations to receive and retain copies of all reports funded from Part 1 appropriations.

DEPARTMENTWIDE ADMINISTRATION BOILERPLATE

Sec. 301. *Worker's Compensation Funds*

Allows the Department to make payment from funds appropriated for worker's compensation for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. *First-Party Payments for Mental Health Services*

Prohibits the Department from requiring first-party payments from individuals or families with a taxable income of \$10,000 or less for mental health services for determinations made in accordance with Section 818 of the Mental Health Code.

Sec. 304. *Michigan Essential Health Care Provider Program*

Allows funds appropriated for the Michigan Essential Health Care Provider Program to be used to provide loan repayment for dentists that meet the criteria established in Part 27 of the Public Health Code.

Sec. 305. *Funding for Multicultural Agencies Providing Primary Care Services*

Directs the Department to continue to fund multicultural agencies that provide primary care services.

Sec. 307. *Primary Care Services Funding for Health Centers*

Allocates up to \$2,790,100 to enhance the service capacity of federally qualified health centers and similar health clinics providing primary care services.

Sec. 313. *Compulsive Gambling*

Requires a November 1, 2003 report to the House of Representatives and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director on activities undertaken by the Department to address compulsive gambling.

MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES BOILERPLATE

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. *Michigan Protection and Advocacy Services*

Allows the Department to enter into a contract with the Michigan Protection and Advocacy Services or a similar organization to provide legal services for the purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the Department or CMHSPs to provide services to persons with mental illness or developmental disability.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAM

Sec. 401. Comprehensive System of CMH Services

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or specialty prepaid health plans. Requires the Department to ensure that each CMHSP or specialty prepaid health plan provides a complete array of mental health services, the coordination of inpatient and outpatient hospital services, individualized plans of services, a case management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code.

Sec. 402. Contracts Between the Department and CMHSPs

Requires final authorizations to CMHSPs or specialty prepaid health plans be made upon the execution of contracts between the Department and CMHSPs or specialty prepaid health plans. Requires each contract with a CMHSP or specialty prepaid health plan to include a provision that it is not valid unless the total dollar obligation of all contracts entered into between the Department and CMHSPs or specialty prepaid health plans for FY 2003-04 does not exceed Part 1 appropriations. Requires the Department to report immediately to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director if there are new contracts or amendments to contracts with CMHSPs or specialty prepaid health plans that would affect enacted rates or expenditures.

Sec. 403. Multicultural Service Providers

Requires the Department to ensure that CMHSPs or specialty prepaid health plans continue contracts with multicultural service providers.

Sec. 404. Report on CMHSPs

Requires the Department to provide a report by May 31, 2004, on the following for CMHSPs or specialty prepaid health plans: a demographic description of service recipients which include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis; a breakdown of clients served, by diagnosis as defined in the American Psychiatric Association's Diagnostic and Statistical Manual, when encounter data is available; per capita expenditures by client population group; expenditures by client group and fund source, and cost information by service category; data describing service outcomes; information about access to CMHSPs; an estimate of the number of FTEs employed by CMHSPs or specialty prepaid health plans, contracted with directly by CMHSPs or specialty prepaid health plans, and contracted with provider organizations as of September 30, 2003; lapses and carry-forwards during FY 2002-03; information on the CMH Medicaid managed care program; and performance indicator information required to be submitted to the Department in contracts with CMHSPs or specialty prepaid health plans.

Sec. 405. Wage Increase to Direct Care Workers

Provides that it is the Legislature's intent that the wage increase funded for direct care workers in local residential settings, day programs, supported employment, and other vocational programs continue to be paid.

Sec. 406. Appropriations for State Disability Assistance Substance Abuse Services Program

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

Sec. 407. Substance Abuse Prevention, Education, and Treatment Grants

Requires that appropriations for substance abuse prevention, education, and treatment grants be expended for contracting with coordinating agencies or designated service providers. Provides that it is the Legislature's intent that coordinating agencies and designated service providers work with CMHSPs or specialty prepaid health plans to coordinate services provided to individuals with both mental illness and substance abuse diagnoses. Requires the Department to establish a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

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

Requires the Department to report by April 15, 2004, on the following data on substance abuse prevention, education, and treatment programs for FY 2002-03: expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type; expenditures per state client; number of services provided by central diagnosis and referral agency, by subcontractor, and by service type; and collections from other first/third party payers, private donations, or other state or local programs by coordinating agencies, by subcontractors, by population served, and by service type.

Sec. 409. Substance Abuse Services to Clients with Children

Requires funds for substance abuse services to be distributed in a manner to provide priority to service providers that furnish child care services to clients with children.

Sec. 410. Substance Abuse Treatment for FIA Recipients

Requires the Department to assure that substance abuse treatment is provided to applicants and recipients of public assistance through the Family Independence Agency who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. Jail Diversion Services for Persons with Mental Illness or Developmental Disability

Requires the Department to ensure that each contract with a CMHSP or specialty prepaid health plan require the CMHSP or specialty prepaid health plan to implement programs to encourage diversions for persons with mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate. Requires each CMHSP or specialty prepaid health plan to have jail diversion services and work toward establishing relationships with representative staff of local law enforcement agencies.

Sec. 412. Non-Medicaid Substance Abuse Services

Requires the Department to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance abuse services at not less than the amount contracted for in FY 2002-03.

Sec. 414. Medicaid Substance Abuse Services

Requires Medicaid substance abuse services to be managed by selected CMHSPs or specialty prepaid health plans pursuant to the Centers for Medicare and Medicaid Services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. Authorizes selected CMHSPs or specialty prepaid health plans to receive a capitated payment on a per eligible per month basis to assure the provision of medically necessary substance abuse services. Requires selected CMHSPs or specialty prepaid health plans to be responsible for the reimbursement of claims for specialized substance abuse services. Allows CMHSPs or specialty prepaid health plans that are not coordinating agencies to continue to contract with a coordinating agency provided that the alternative arrangement is based on client service needs and has prior approval from the Department.

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

Requires the Department to report monthly on the amount of funding paid to CMHSPs or specialty prepaid health plans to support the Medicaid managed mental health program.

Sec. 423. Delivery of Substance Abuse Prevention, Education, and Treatment Programs

Requires the Department to work cooperatively with the Family Independence Agency and the Departments of Corrections, Education, State Police, and Military and Veterans Affairs, within existing appropriations, to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs. Requires the outcomes of the cooperative effort to be reported by March 15, 2004, to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

Sec. 424. Timely Claims Process for CMHSPs

Requires CMHSPs or specialty prepaid health plans that contract with the Department to provide services to the Medicaid population to adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in Public Act 187 of 2000.

Sec. 425. Report on Prisoners Receiving Mental Health and Substance Abuse Services

Requires the Department, in conjunction with the Department of Corrections, to report by April 1, 2004, on the following FY 2002-03 data to the House of Representatives and Senate Appropriations Subcommittees on Community Health and Corrections, the House and Senate Fiscal Agencies, and the State Budget Office: the number of prisoners receiving substance abuse services; the number of prisoners receiving mental health services; and data indicating if prisoners receiving mental health services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

Sec. 428. Contingency Appropriation for CMHSPs

Requires CMHSPs or affiliations of CMHSPs to provide local funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. Requires the distribution of the rate increase to be based on a formula developed by a Committee established by the Department that includes representatives from CMHSPs or affiliations of CMHSPs and department staff.

Sec. 435. County Matching Funds to CMHSP

Directs counties required under provisions of the Mental Health Code to provide matching funds to CMHSPs for mental health services rendered to residents in its jurisdiction to pay these funds in equal installments on a quarterly basis throughout the fiscal year.

Sec. 439. Community Residential Settings Pilots

Expresses the Legislature's intent that the Department, in conjunction with CMHSPs, supports pilot projects that facilitate the movement of adults with mental illness from state psychiatric hospitals to community residential settings. Provides that the purpose of the voluntary pilot projects are to encourage the placement of persons with mental illness in community residential settings who, among other things, require a secured and supervised living environment and assistance in taking prescribed medications. Requires quarterly reports to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Office on activities undertaken by the Department and CMHSPs for pilot projects implemented under this section.

Sec. 442. Medicaid Adult Benefits Waiver Program

Expresses the Legislature's intent that the \$40 million transferred from CMH Non-Medicaid Services to support the Medicaid Adult Benefits Waiver program be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid Adult Benefits waiver enrollees and economic increases for the Medicaid Specialty Services and Supports program. Requires the general fund match be transferred back to CMH Non-Medicaid Services if enrollment in the Medicaid Adult Benefits Waiver program does not achieve expectations and the funding for the program is not expended. Also requires the Department to request in a Medicaid Specialty Services waiver renewal application that the amount of savings retained by a specialty prepaid health plan (PHP) be changed from 5% to 7.5% of aggregate capitation payments. If the Department is unable to secure federal approval for this change, the Department is then required to allow PHPs and their affiliate CMHSP members to retain 50% of the GF/GP portion of the funds allocated under the Medicaid Specialty Services waiver. Requires the Department to quarterly report on a summary of eligible expenditures for the Medicaid Adult Benefits Waiver program to the House and Senate Appropriations Subcommittees on Community Health.

Sec.450. Audit and Reporting Requirements for CMHSPs

Requires the Department to establish a Work Group comprised of CMHSPs or specialty prepaid health plans and department staff to recommend strategies to streamline audit and reporting requirements for CMHSPs or specialty prepaid health plans.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Sec. 601. Third-Party Payments and Revenue Recapture Project

Requires that priority be given to obtaining third-party payments for services in the funding of staff in the financial support division, reimbursement, billing, and collection services. Requires the collections from individual recipients of services to be handled in a sensitive and nonharassing manner. Requires the Department to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive.

Sec. 602. Pay Telephone Revenues and Gifts and Bequests

Authorizes the carry forward of unexpended and unencumbered funds up to \$500,000 from pay telephone revenues and gifts and bequests for patient living and treatment environments for one fiscal year.

Sec. 603. Forensic Mental Health Services Provided to the Department of Corrections

Specifies that the funds appropriated in Part 1 for Forensic Mental Health Services provided to the Department of Corrections are in accordance with the interdepartmental plan developed in cooperation with the Department of Corrections. Authorizes the Department to receive and expend funds from the Department of Corrections to fulfill the obligations outlined in the interdepartmental agreement.

Sec. 604. Semiannual Reports for CMHSPs

Requires CMHSPs or specialty prepaid health plans to provide semiannual reports to the Department on the following information: the number of days of care purchased from state hospitals and centers; the number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers; the number and type of alternative placements to state hospitals and centers other than private hospitals; and waiting lists for placements in state hospitals and centers. Requires the Department to semiannually report the information to the House of Representatives and Senate Appropriations Subcommittees on Community Health, the House and Senate Fiscal Agencies, and the State Budget Director.

Sec. 605. Closures or Consolidations of State Hospitals and Centers

Prohibits the Department from implementing the closures or consolidations of state hospitals, centers, and agencies until CMHSPs or specialty prepaid health plans have programs and services in place for those persons currently in the facilities. Requires the Department to provide a closure plan four months after the closure certification to the House of Representatives and Senate Appropriations Subcommittees on Community Health. Requires the transfer of remaining operational funds from closed state hospitals, centers, and agencies to CMHSPs or specialty prepaid health plans responsible for providing services to these clients.

Sec. 606. Patient Reimbursement

Allows the Department to collect revenue for patient reimbursement from first/third party payers, including Medicaid, to cover the cost the placement in state hospitals and centers. Authorizes the Department to adjust financing sources for patient reimbursement based on actual revenues earned. Permits the carry forward of revenue collected that exceeds current year expenditures if approved by the State Budget Director.

PUBLIC HEALTH BOILERPLATE

INFECTIOUS DISEASE CONTROL

Sec. 801. *Priority for Adolescents for AIDS Prevention Services*

Requires the Department and its subcontractors to ensure that adolescents receive priority for AIDS prevention, education, and outreach services.

Sec. 802. *AIDS Provider Education*

Allows the Department to provide funding to the Michigan State Medical Society as the lead agency for continuing the development and implementation of AIDS provider education activities.

Sec. 803. *AIDS Drug Assistance Program*

Directs the Department to continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary, without prohibiting the Department from providing assistance for improved AIDS treatment medications.

EPIDEMIOLOGY

Sec. 853. *Bioterrorism Preparedness Funding Allocation - VETOED*

New language to allocate up to \$1.0 million of federal bioterrorism preparedness funding to a Biosafety Level 2/3 certified laboratory facility, as allowed by federal law and regulations.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. *Informed Consent Law Reimbursement of Local Costs*

Directs the Department to reimburse local health departments for costs incurred for services under the Informed Consent Law.

Sec. 902. *Funding Penalty in Case of Dissolution of Multi-County Local Health Department*

Provides authority for the Department to assess a penalty on a county of up to 5% of the local health department's local public health operations funding if that county ceases to be part of a district health department or an associated arrangement with other local health departments.

Sec. 903. Lead Abatement Program Report

Directs the Department to report annually on the expenditures and activities of the lead abatement program.

Sec. 904. Local Public Health Operations Allocations

Establishes that local public health operations funds shall be prospectively allocated to local public health departments to support costs for nine state/local cost-shared services. Local public health departments will be held to contractual standards for these services. Certain of these services shall be provided in consultation with the Michigan Departments of Agriculture, and Environmental Quality. Local eligibility for distributions is contingent upon local spending of at least the amount expended locally in FY 1992-93 for these services. Requires that a report on planned allocations be made available upon request by April 1, 2004.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1001. Cancer Awareness and Education

Requires the Department to allocate funds to promote awareness, education and early detection of breast, cervical, prostate, and colorectal cancer and provide for other health promotion media activities.

Sec. 1002. School Health Education Curriculum

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

Sec. 1003. Alzheimer's Disease Information and Referral Services

Allocates funds to provide Alzheimer's disease information and referral services through regional networks.

Sec. 1006. Priority for Smoking Prevention and Cessation Program Funding

Requires the Department to give priority to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents, in spending funds allocated to smoking prevention programs.

Sec. 1007. Violence Prevention Program

Directs that violence prevention funds be used for, but not limited to, programs aimed at the prevention of spouse, partner or child abuse and rape, and programs aimed at the prevention of workplace violence. Directs that the Department give equal consideration to public and private nonprofit grant applicants. The Department may provide funds to local school districts.

Sec. 1009. Grant to National Kidney Foundation of Michigan

Permits the allocation of funds from the Diabetes and Kidney Program line item to the National Kidney Foundation of Michigan for kidney disease prevention programs.

Sec. 1010. Osteoporosis Prevention and Education Funding

Appropriates funds for osteoporosis prevention and treatment education contingent on the availability of Healthy Michigan Funds or federal Preventive Health and Health Services Block Grant funds.

Sec. 1019. Stroke Prevention Funding

Allocates \$50,000 for stroke prevention, education, and outreach.

Sec. 1020. Arthritis Education Program Funding

Allocates \$105,000 for a childhood and adult arthritis program.

Sec. 1028. African-American Male Health Initiative Funding

Appropriates funds for the African-American Male Health Initiative contingent on the availability of Healthy Michigan Funds or federal Preventive Health and Health Services Block Grant funds.

COMMUNITY LIVING, CHILDREN, AND FAMILIES

Sec. 1101. Reallocation of Funds for Certain Programs in Cases of Underexpenditures

Requires the Department to review the basis for the distribution of funds to local health departments and other agencies from various programs in the Community Living, Children, and Families appropriation unit and the WIC program and indicate the basis on which any projected underexpenditures are to be reallocated to other local agencies that demonstrate need.

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

Requires the Department to report by April 1, 2004, on planned allocations and additional actual service and expenditure data for the following line items: Local Maternal and Child Health Services, Prenatal Care Outreach and Service Delivery Support, Family Planning Local Agreements, and Pregnancy Prevention Programs.

Sec. 1105. Contract with Local Agencies Best Able to Serve Clients

Requires the Department to contract for services to be provided through the Community Living, Children, and Families appropriation unit with local agencies best able to serve clients. Establishes factors upon which to evaluate an agency's ability to serve clients.

Sec. 1106. Family Planning Title X Funding Compliance

Requires that family planning programs receiving federal Title X funds be in compliance with federal performance and quality assurance indicators, and that those agencies not in compliance shall not receive supplemental or reallocated funds.

Sec. 1106a. Abstinence Education Program Requirements

Establishes specific items of instruction as requirements for abstinence education programs expending federal abstinence education funds. Directs that funded programs target teenagers most likely to engage in high-risk behavior. Gives priority in allocation of funds to programs that do not provide contraceptives to minors and that strive to include parental involvement. Qualifying programs may receive such funds directly from the Department.

Sec. 1107. Prenatal Care Outreach Administrative Cost Limit

Restricts local administrative, data processing, and evaluation costs to not more than 10% of the amount appropriated for prenatal care outreach and service delivery support.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding

Prohibits Pregnancy Prevention Program appropriation line item funds from being used for abortion counseling, referrals, or services.

Sec. 1109. *Volunteer Dental Services Program for the Uninsured*

Allocates funds, contingent upon the receipt of a report, from the Dental Program line item to the Michigan Dental Association to administer a volunteer dental program to provide dental services to the uninsured; requires a report by the Department to be made available upon request not later than December 1; and requires a report by the Michigan Dental Association by December 1, 2003 documenting its efforts to increase membership participation as Medicaid providers.

Sec. 1110. *Designation of Delegate Agencies for Family Planning/Pregnancy Prevention Funds*

Agencies currently receiving Pregnancy Prevention Program and Family Planning line item funds shall have the option of receiving those funds directly from the Department and be designated as delegate agencies.

Sec. 1111. *Allocation of Funds for Services for Family Planning and Pregnancy Prevention*

Directs the Department to allocate no less than 87% of Family Planning Local Agreements and Pregnancy Prevention Program line item funds for the direct provision of services.

Sec. 1112. *Allocation for Communities with High Infant Mortality Rates*

Allocates at least \$1,000,000 to communities with high infant mortality rates.

Sec. 1124. *Statewide Fetal Infant Mortality Review Network Allocation of Funds*

Requires the Department to allocate \$450,000 from federal Maternal and Child Health Services Block Grant funds for the statewide fetal infant mortality review network if additional block grant funds are available, and directs that the network be funded with a like amount in FY 2004-05 if federal funds become available.

Sec. 1128. *Federal Medicaid Funding for the Migrant Health Care Program*

Requires the Department to make every effort to maximize the receipt of federal Medicaid funds to support the activities of the migrant health care program, as funded by the Migrant Health Services appropriation line item.

Sec. 1129. *Report of Elevated Blood Lead Levels*

Requires the Department to annually report to the Legislature from information available to the Department on the number of children with elevated blood lead levels, by county, indicating the blood lead level, and source of information.

Sec. 1133. *Infant Mortality Data Release*

Requires the Department to release infant mortality rate data to all local public health departments no later than 48 hours prior to releasing infant mortality rate data to the public.

Sec. 1134. *Suicide Prevention Funding*

Allows the Department to provide \$100,000 to the yellow ribbon suicide prevention program for a pilot project, on the condition that unallocated funds are available in the Special Projects line item following allotment of funds to existing programs that are required to be funded under this act.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. *Farmer's Market Nutrition Program Local Contributions*

Allows the Department to work with local participating agencies to define local annual contributions for the Farmer's Market Nutrition Program, Project FRESH, to enable the Department to request federal matching funds by April 1, 2004, based on local commitment of funds.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. *Medical Care and Treatment Reimbursement Policies*

Requires that payments for medical care and treatment be made consistent with the reimbursement policies of the Michigan medical services program.

Sec. 1202. *Children's Special Health Care Services Coverage*

Allows the Children's Special Health Care Services program to provide (a) special formula for persons with certain metabolic and allergic disorders; (b) treatment to persons age 21 or older with cystic fibrosis; (c) genetic diagnostic and counseling services; and (d) services to persons age 21 or older with hemophilia.

Sec. 1203. *Referrals to Locally-Based Services Programs*

Requires that the Department refer clients of the program to the locally-based services program in their community.

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. Interdepartmental Grant to Judiciary for Drug Treatment Courts

Provides that \$1.8 million of federal Byrne grant money be directed as an interdepartmental grant to the Judicial Branch for local drug treatment courts, in addition to the \$1.8 million funding that the Department currently distributes to local drug treatment courts from the Byrne grant.

CRIME VICTIM SERVICES COMMISSION

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

Allocates up to \$50,000 for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. Unexpended funds shall be carried forward.

Sec. 1304. Sexual Assault Evidence Collection Procedures

Requires the Department to work with other named entities to ensure that certain recommended procedures are followed in the collection of evidence in cases of sexual assault.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. Persons Who Qualify for Certain Senior Program Funding

Funding for community, nutrition, and home services is restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under certain federal provisions.

Sec. 1403. Home-Delivered Meals Waiting Lists

Requires regions to report home-delivered meals waiting lists to the Office of Services to the Aging and establishes criteria for being on the waiting list.

Sec. 1404. Authorization for Spending for Senior Day Care, Care Management, Respite Care

Allows area agencies on aging and local providers to receive and expend fees for the provision of day care, care management, respite care, and certain eligible home and community-based services. Fees shall be based on a sliding scale, taking client income into consideration, and shall be used to expand services.

Sec. 1406. Allocation of Respite Care Tobacco Settlement Funds for Direct Care

Requires that the \$5,000,000 Respite Care Program line item appropriation of tobacco settlement funds shall be used only for direct respite care or adult respite care center services, and shall be allocated according to a long-term care plan. Not more than 10% of the allocation shall be expended for administrative purposes.

Sec. 1413. Support of Locally-Based Community Senior Services

Establishes the Legislature's support of locally-based services, support of local counties in their approval of area agency on aging plans and in changing membership of area agencies on aging in their region, and the Legislature's intent to prohibit area agencies on aging from providing direct services unless a waiver has been received from the Department.

Sec. 1416. Support for In-Home Services for Non-Medicaid Seniors

Establishes the Legislature's commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home and community-based services waiver program.

MEDICAL SERVICES

Sec. 1601. Remedial Services Costs and Medicaid Eligibility

Requires remedial service costs to be used in determining medically-needy eligibility for those in adult foster care and homes for the aged.

Sec. 1602. Medicaid Eligibility for the Elderly and Disabled

Provides Medicaid eligibility to low income elderly and disabled persons up to 100% of the poverty level.

Sec. 1603. Medical Services Buy-In Program

Allows the Department to establish a statewide program for persons to purchase medical coverage at a rate determined by DCH.

Sec. 1605. Medicaid Protected Income Level

Establishes the Medicaid protected income level at 100% of the public assistance standard and requires 90-day notice prior to implementation of changes in the protected income level.

Sec. 1606. Medicaid Eligibility Deduction for Guardian and Conservator Charges

Limits the allowable deduction for guardian and conservator charges to \$60 per month when determining Medicaid eligibility and patient pay amounts.

Sec. 1607. Medicaid Presumptive Eligibility for Pregnant Women

Stipulates that Medicaid applicants whose qualifying condition is pregnancy shall be presumed to be eligible unless the preponderance of the evidence in the application indicates otherwise. Sets procedures to facilitate access to health care for pregnant women including provision of an authorization letter, a listing of Medicaid physicians and health plans, referral to public health clinics for ineligible persons, and allowing qualified applicants to select or remain with the participating obstetrician of her choice. Also specifies that obstetrical and prenatal care claims are to be paid at Medicaid fee-for-service rates if there is no contract between the provider and the managed care plan.

Sec. 1608. Patient Rights and Responsibilities Pamphlet

Provides for a pamphlet on patient rights and responsibilities to be updated and distributed to providers.

Sec. 1610. Provider Cost Report Grievance Procedure

Requires the Department to provide a cost report grievance process for medical providers and payment within nine months following submission of cost reports.

Sec. 1611. Medicaid Payment in Full Provisions

Requires Medicaid payment rate to be accepted as payment in full, including payments from other third-party sources. The Hospital Services payments for persons who are dually eligible for Medicare and Medicaid are to include capital payments in determining the Medicaid reimbursement amount.

Sec. 1615. Medicaid Electronic Billing

Requires enrolled Medicaid providers to submit their billings electronically by April 1, 2004, and directs the Department to have a program for Medicaid providers to submit their bills for services over the internet, unless prohibited by law or regulation.

Sec. 1620. Pharmacy Dispensing Fee and Copayments

Maintains the pharmacy dispensing fee at \$3.77 or the pharmacy's usual and customary charge, whichever is less. Sets the dispensing fee for managed care recipients at the usual charge allowed by the patient's HMO if it is less than \$3.77 and the pharmacy's usual and customary charge. Requires prescription copayments for Medicaid recipients except as prohibited by federal or state law or regulation.

Sec. 1621. Drug Utilization Review and Disease Management

Authorizes drug utilization review and disease management systems with physician oversight and consultation with various medical provider groups. Prohibits therapeutic substitution.

Sec. 1621a. Disease Management Pilot Projects

Allows DCH to establish pilot projects to test the efficacy of disease/health management systems and use the savings in lieu of supplemental rebates to include the drug manufacturer's products on the preferred drug list.

Sec. 1622. Pharmaceutical Best Practice Initiative

Specify conditions for the continued implementation of the Department's pharmaceutical initiative related to the prior authorization process, the pharmacy and therapeutics committee, and reporting requirements.

Sec. 1622a. Pharmacy and Therapeutics Committee

Expresses legislative intent regarding the make up of the pharmacy and therapeutics committee to include 5 licensed retail pharmacists and 6 licensed physicians all of whom are to be in active clinical practice, residing in the state, and have a representative portion of Medicaid fee-for-service clients in their practice. Also expresses intent that the committee membership shall come from recommendations by the Michigan medical society, the Michigan osteopathic association, the Michigan pharmacist association, and the Michigan retailers association.

Sec. 1623. Dispensing of Maintenance Drugs

Continues the current Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs and notice to medical providers regarding this policy. Requires dispensing medication in the quantity prescribed unless subsequent consultation with the physician indicates otherwise.

Sec. 1624. *Pharmaceutical Rebates*

Authorizes continuation of pharmaceutical rebates and supplemental rebate contracts until a multistate drug purchasing compact is fully established.

Sec. 1625. *Atypical Antipsychotic Medications*

Directs the department to continue the practice of placing all atypical antipsychotic medications on the Medicaid preferred drug list.

Sec. 1626. *Multistate Drug Purchasing Benefit-Cost Analysis*

Requires DCH to provide a benefit-cost analysis that documents greater savings from the multistate drug purchasing compact than the current PDL supplemental rebate program before implementing the compact.

Sec. 1627. *Drug Rebates for the State Medical Program and CSHCS Program*

Authorizes the Department to secure manufacturer drug rebates for participants in the MIChild, MOMS, State Medical, Children's Special Health Care Services, and EPIC programs that are equivalent to Medicaid rebates, and allows for preauthorization of drugs if rebates are not provided.

Sec. 1628. *CSHC Prior Authorization for Prescribed Drugs - VETOED*

Exempts Children's Special Health Care Services recipients from needing prior authorization for prescribed drugs through the Pharmaceutical Best Practice initiative.

Sec. 1629. *Maximum Allowable Cost (MAC) Drug Pricing*

Requires the Department to base its MAC prices for generic drugs on the pricing available from at least 2 wholesalers who deliver in Michigan.

Sec. 1630. *Medicaid Dental, Podiatric, and Chiropractic Services - VETOED*

Continues hearing aid, podiatric, and chiropractic services at not less than the level provided on October 1, 1996. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year.

Sec. 1631. *Copayments for Dental, Podiatric, Chiropractic, Vision, and Hearing Services*

Requires copayments on dental, podiatric, chiropractic, vision and hearing aid services unless prohibited by law or regulation.

Sec. 1633. *Healthy Kids Dental Program Expansion*

Requires the Department to expand the Healthy Kids Dental program statewide if the funds become available specifically for this purpose.

Sec. 1634. *Continuation of Ambulance Services Payment Rate*

Requires continuation of the FY 2000-01 5% increase in ambulance service payment rates.

Sec. 1641. *Institutional Provider Costs Reports*

Requires institutional providers to submit their cost reports within five months of the end of the fiscal year.

Sec. 1643. *Psychiatric Residency Training Program*

Allocates \$7,270,200 from Graduate Medical Education funds for a psychiatric residency training program if the universities involved provide the necessary Medicaid matching funds.

Sec. 1647. *Continuation of Graduate Medical Education Payments*

Requires graduate medical education payments to hospitals at no less than the level of rates and payments in effect on April 1, 2003.

Sec. 1648. *Automated Toll-Free Eligibility Verification Phone Line*

Requires the Department to maintain an automated toll-free phone line for medical providers to verify Medicaid eligibility.

Sec. 1649. *Breast and Cervical Cancer Treatment Coverage*

Directs the Department to establish breast and cervical cancer treatment coverage for uninsured women under age 65 and with incomes below 250% of the poverty level, pursuant to new federal legislation.

Sec. 1650. *Mandatory Managed Care Enrollment Requirement*

Authorizes continuation of Medicaid managed care and assignment of recipients who do not select a provider. Requires notice of exception criteria to enrollment, the right to change plans, and complaint/grievance procedures. Specifies the criteria for medical exceptions to mandatory managed care enrollment.

Sec. 1651. Hospice Services Under Medicaid Managed Care

Allows access to hospice services for Medicaid patients enrolled in health maintenance organizations.

Sec. 1653. Conditions for Implementation of Medicaid Managed Care Plans

Establishes conditions for implementation of Medicaid managed care plans related to continuity of care, submission of HMO data for evaluation, health plan advisory council, and choice of plans and prohibits mandatory enrollment in non-metropolitan areas with only one HMO unless there is a choice of two or more physicians. Maintains voluntary enrollment in the Children's Special Health Care Plan, and requires a budget neutral case rate adjustment for persons with AIDS and other high cost conditions.

Sec. 1654. Reimbursement for HMO Covered Services

Requires Medicaid HMOs to pay for services by non-HMO providers if medically necessary, approved by the HMO, immediately required, and can't be obtained through HMO providers on a timely basis. Services are considered approved if the authorization request is not responded to within 24 hours.

Sec. 1655. Twelve-Month Lock-In for HMO Enrollment

Allows for a 12-month lock-in to HMOs with good cause exceptions and allows recipients to change plans for any reason within the first 90 days.

Sec. 1656. HMO Expedited Complaint Review Procedures

Requires an expedited grievance procedure for Medicaid recipients enrolled in qualified health plans, and a toll free phone number to assist with resolving problems and complaints. Annual reports on the complaints received and their resolution are required.

Sec. 1657. HMO Reimbursement for Hospital ER Services and Solvency Standards

Requires reimbursement for emergency room services to screen and stabilize the patient without prior authorization by an HMO, and notice to the HMO regarding the patient's diagnosis and treatment within 24 hours of discharge. Prior authorization by the HMO is required for further services beyond stabilization. Requires DCH to receive assurances from Office of Financial and Insurance Services that new Medicaid HMOS meet net worth and solvency standards prior to contracting with them.

Sec. 1658. *HMO Contracts with Hospitals*

Expresses legislative intent that HMOs shall have contracts with local hospitals, and requires reimbursement to non-contracted hospitals at Medicaid fee-for-service rates. Also requires hospitals that do not contract with HMOs in their service area to enter into a hospital access agreement as specified in a MSA policy bulletin.

Sec. 1659. *Applicable Boilerplate Sections for Medicaid Managed Care*

Specifies the Medical Services boilerplate sections that apply to Medicaid managed care programs.

Sec. 1660. *Access to EPSDT, Well Child, and Maternal and Infant Support Services*

Requires timely access to EPSDT services for children enrolled in Medicaid managed care programs. Specifies primary care provider's responsibility for assuring child's vision and hearing screening. Requires local health departments to provide preschool vision and hearing screenings and accept referrals. Also requires that HMOs provide EPSDT utilization data, well child visits, and maternal and infant support services as described in Medicaid policy, and that DCH provide for budget neutral incentives to improve performance related to the care of children and pregnant women.

Sec. 1661. *Prohibition on Prior Authorization for EPSDT and MSS/ISS Services*

Requires timely access to Maternal/Infant Support services (MSS/ISS) and coordination with other state or local programs. Also prohibits prior authorization for EPSDT and MSS/ISS screening referrals and up to three MSS/ISS service visits.

Sec. 1662. *Review and Analysis of EPSDT and MSS/ISS Performance*

Requires the external quality review contractor to conduct a review of all EPSDT components and directs the Department to submit copies of the analysis of HMO HEDIS reports and the annual external quality review report within 30 days. Also requires the Department to work with the Michigan Association of Health Plans and the Michigan Association for Local Public Health to improve EPSDT and MSS/ISS services, and provide training on EPSDT and MSS/ISS.

Sec. 1664. *Incentives for Early Entry to Prenatal Care*

Requires the Department to provide incentive to providers to increase early entry of Medicaid recipients into prenatal care and provide a progress report by June 1, 2004.

Sec. 1665. Access to EPSDT Health Screening

Requires the Department to develop a plan for improving access to EPSDT health screening services and provide a progress report by June 1, 2004.

Sec. 1670. MICHild Program Eligibility

Specifies that the funds appropriated for the MICHild Program are to be used to provide health care to children under age 19 in families with income below 200 % of the federal poverty level who have not had health insurance within six months of making application for MICHild benefits. Health care coverage is to be provided through expanded Medicaid eligibility for children in families up to 150% of poverty, and through a state-based private health care program for children in families between 150% and 200% of poverty. Requires the Department to contract with any qualified HMO, dental care corporation, health care corporation or other entity which offers to provide the MICHild health care benefit at the capitated rate.

Sec. 1671. MICHild Marketing and Outreach

Requires the Department to continue a comprehensive approach to the marketing and outreach of the MICHild program, and to coordinate such efforts with the Department's existing outreach and marketing activities.

Sec. 1672. Continuous Eligibility for MICHild Participants

Allows the Department to provide up to one year of continuous eligibility for the MICHild Program unless the family members no longer meet the eligibility criteria or fails to pay the monthly premium.

Sec. 1673. MICHild Premiums

Allows the Department to establish premiums for eligible persons above 150% of the poverty level not to exceed \$5 per month for a family.

Sec. 1674. Prohibition on MICHild Copayments

Prohibits copayments under the MICHild Program.

Sec. 1675. Medicaid and MICHild Continuity of Care

Assures continuity of care for persons whose category of MICHild eligibility changes due to family income.

Sec. 1676. *MIChild Eligibility Verification*

Specifies the income level and verification requirements to be used in determining eligibility for the MIChild program.

Sec. 1677. *MIChild Benefits*

Specifies the benefits to be covered by the MIChild program based on the state employee insurance plan.

Sec. 1680. *Nursing Home Wage Pass-Through*

Expresses legislative intent that previous nursing home wage pass through payments be continued, and requires a report on nursing home wage and benefit increases provided in FY 2002-03.

Sec. 1681. *Home and Community Based Services*

Requires the Department and local waiver agents to encourage the use of family members, friends, and neighbors to provide non-medical home and community based services, where appropriate.

Sec. 1682. *OBRA Nursing Home Enforcement Provisions*

Authorizes the Department to implement federal nursing home enforcement provisions and to receive/expend penalty money for noncompliance.

Sec. 1683. *Dignity and Rights of Terminally Ill and Chronically Ill Patients*

Requires the Department to promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals, including hospice care, pain management, and suicide prevention.

Sec. 1685. *Prospective Setting of Medicaid Nursing Home Payment Rates*

Requires Medicaid nursing home payment rates to be set 30 days in advance of the facility's fiscal year, and to be based on the most recent cost report submitted.

Sec. 1687. *Residential Care for Alzheimer's Disease or Dementia*

Requires an assessment and inventory of all facilities providing residential care to patients afflicted with Alzheimer's disease or dementia and authorizes pilot projects with facilities that have developed specialized residential care for such patients.

Sec. 1688. *Personal Care Services Reimbursement Rate*

Prohibits a limit on personal care services reimbursement under the Medicaid Home and Community-Based Services program, but allows the Department to maintain the aggregate per day client reimbursement cap for all services provided under the waiver program.

Sec. 1689. *Home and Community Based Services*

Gives priority in HCBS enrollment to nursing homes residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Directs DCH to transfer funds to the HCBS program for successfully moving persons out of nursing homes if there is a net reduction in the number of Medicaid nursing home days of care and a net cost savings attributable to moving persons out of nursing homes. Provides for a quarterly report on HCBS allocations and expenditures by regions and net cost savings. Requires competitive bid for administration of the new screening and assessment process for long-term care services.

Sec. 1690. *Program of All Inclusive Care for the Elderly (PACE)*

Contingent on the availability of funds, and federal approval, requires the Department to encourage and assist in establishing a capitated, managed care benefit for the frail elderly known as PACE in at least parts of 3 west Michigan counties. The program shall include a comprehensive medical and social service delivery system, a multidisciplinary team approach in an adult day health center supplemented by in-home and referral services.

Sec. 1692. *Medicaid School-Based Services*

Provides authorization for Medicaid reimbursement of school-based services.

Sec. 1693. *Medicaid Special Adjustor Payments Increase*

Allows for an increase in Medicaid special adjustor payments if a Medicaid state plan amendment for such payments above the appropriated level is submitted.

Sec. 1694. *Allocation to Children's Hospitals*

Authorizes distribution of funds to children's hospitals with a high indigent care volume for poison control services.

Sec. 1697. *Local Match Funds for School-Based or School-Linked Services*

Allows the Department to utilize school district funds received from a health system as the state match for federal Medicaid or children's health insurance program funds to be used for new school-based or school-linked services.

Sec. 1699. *Disproportionate Share and Graduate Medical Education Payments*

Authorizes separate payments for hospitals serving a disproportionate share of indigent payments and those hospitals providing graduate medical education.

Sec. 1710. *MIChoice Home and Community Based Services*

Requires the Department to report proposed changes in the MIChoice home and community based services waiver program screening process to the House and Senate Appropriations Subcommittees on Community prior to implementation.

Sec. 1711. *Medicaid 2-Tier Case Rate for Emergency Services*

Requires the continuation of a 2-tier Medicaid case rate for emergency physician charges. The section was not included in the Executive Recommendation or Senate passed bill.

Sec. 1712. *Rural Health Initiative*

Subject to the availability of funds, requires DCH to implement a rural health initiative with funds to be first allocated to a rural outpatient hospital adjustor, and secondly, for defibrillator grants, EMT training, or other similar programs.

Sec. 1713. *Study on Dentist Participation in Medicaid*

Requires the Department to do a study on the level of participation by licensed dentists in the Medicaid program by April 1, 2004 that includes recommendations to reduce or eliminate barriers to participation.

Sec. 1715. *Pharmaceutical Services Savings*

Requires the pharmaceutical savings of \$18.9 million GF/GP in Part 1 to be achieved through implementation of the federal Medicare prescription drug program, or a withdrawal from the Medicaid Benefits Trust Fund.

Sec. 1716. *Adult Benefits Waiver Hospital Case Rate - VETOED*

Requires the hospital case rate under the Medicaid Adult Benefits Waiver to be set at a rate that does not exceed \$108.6 million in gross savings.

Sec. 1717. *Detroit Medical Center Payment*

Requires \$7.0 million in local funds to be received by the state prior to distributing the Detroit Medical Center payment.

FY 2002-03 SUPPLEMENTAL ACTIONS

PUBLIC ACT 39 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Sec. 315. *Salvation Army Harbor Light*

Requires the Department to contract directly with Salvation Army Harbor Light Program for the provision of substance abuse services.

Sec. 316. *Bioterrorism Preparedness*

Establishes Legislative intent that bioterrorism funding allocations assure local public health ability to detect and respond to bioterrorism events. Requires the Department to document to the Legislature the direct collaborative participation of local public health departments with the state in bioterrorism preparedness plan development and local funding allocation formulation, and that the approved plans and fund allocations reflect a majority consensus of the state and local public health departments.

PUBLIC ACT 173 OF 2003 SUPPLEMENTAL APPROPRIATIONS

Sec. 301. *Survey on Pharmaceutical Disease Management Programs*

Requires the Department to undertake a state by state survey of pharmaceutical based disease management and health management programs, and compile a report with recommendations to the Senate and House subcommittees on community health and the Senate and House fiscal agencies by January 1, 2004.