

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 5296

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	3,648.1



1	Average population.....	893.0	
2	GROSS APPROPRIATION		\$ 17,464,376,800
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers.....		9,425,900
6	ADJUSTED GROSS APPROPRIATION		\$ 17,454,950,900
7	Federal revenues:		
8	Total federal revenues		12,003,815,000
9	Social security act, temporary assistance for needy		
10	families.....		22,830,400
11	Special revenue funds:		
12	Total local revenues		216,656,400
13	Total private revenues		127,056,600
14	Merit award trust fund		68,334,700
15	Total other state restricted revenues		2,090,289,000
16	State general fund/general purpose		\$ 2,925,968,800
17	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
18	Full-time equated unclassified positions	6.0	
19	Full-time equated classified positions	190.7	
20	Director and other unclassified--6.0 FTE positions ...		\$ 724,700
21	Departmental administration and management--180.7 FTE		
22	positions.....		27,088,800
23	Worker's compensation program		5,000,500
24	Rent and building occupancy		10,268,900
25	Developmental disabilities council and projects--10.0		
26	FTE positions.....		<u>3,042,200</u>
27	GROSS APPROPRIATION		\$ 46,125,100



1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues	15,472,900
4	Special revenue funds:	
5	Total private revenues	35,200
6	Total other state restricted revenues	829,800
7	State general fund/general purpose	\$ 29,787,200
8	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
9	AND SPECIAL PROJECTS	
10	Full-time equated classified positions 103.0	
11	Behavioral health program administration--102.0 FTE	
12	positions.....	\$ 52,472,900
13	Gambling addiction--1.0 FTE position	3,003,900
14	Protection and advocacy services support	194,400
15	Community residential and support services	592,100
16	Federal and other special projects	2,839,200
17	Family support subsidy	18,149,900
18	Housing and support services	<u>13,238,800</u>
19	GROSS APPROPRIATION	\$ 90,491,200
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	39,461,200
23	Social security act, temporary assistance for needy	
24	families.....	18,330,400
25	Special revenue funds:	
26	Total private revenues	200,000
27	Total other state restricted revenues	3,003,900



1	State general fund/general purpose	\$	29,495,700
2	Sec. 104. BEHAVIORAL HEALTH SERVICES		
3	Full-time equated classified positions	9.5	
4	Medicaid mental health services	\$	2,206,980,600
5	Community mental health non-Medicaid services		97,050,400
6	Mental health services for special populations		8,842,800
7	Medicaid substance use disorder services		43,115,300
8	CMHSP, purchase of state services contracts		139,465,600
9	Civil service charges		1,499,300
10	Federal mental health block grant--2.5 FTE positions .		15,445,500
11	State disability assistance program substance use		
12	disorder services.....		2,018,800
13	Community substance use disorder prevention,		
14	education, and treatment programs		73,811,800
15	Children's waiver home care program		21,544,900
16	Nursing home PAS/ARR-OBRA--7.0 FTE positions		12,260,600
17	Children with serious emotional disturbance waiver ...		12,647,900
18	Health homes		900,000
19	Healthy Michigan plan - behavioral health		<u>260,200,000</u>
20	GROSS APPROPRIATION	\$	2,895,783,500
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	Interdepartmental grant from the department of human		
24	services.....		6,351,500
25	Federal revenues:		
26	Total federal revenues		1,845,236,000
27	Special revenue funds:		



1	Total local revenues	25,228,900
2	Total other state restricted revenues	22,506,200
3	State general fund/general purpose	\$ 996,460,900
4	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
5	MENTAL HEALTH SERVICES	
6	Total average population.....	893.0
7	Full-time equated classified positions.....	2,130.9
8	Caro Regional Mental Health Center - psychiatric	
9	hospital - adult--461.3 FTE positions.....	\$ 56,257,100
10	Average population.....	185.0
11	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
12	positions.....	64,409,100
13	Average population.....	189.0
14	Walter P. Reuther Psychiatric Hospital - adult--420.8	
15	FTE positions.....	55,919,900
16	Average population.....	234.0
17	Hawthorn Center - psychiatric hospital - children and	
18	adolescents--226.4 FTE positions.....	28,778,000
19	Average population.....	75.0
20	Center for forensic psychiatry--556.3 FTE positions ..	72,695,200
21	Average population.....	210.0
22	Revenue recapture	750,000
23	IDEA, federal special education	120,000
24	Special maintenance	332,500
25	Purchase of medical services for residents of	
26	hospitals and centers.....	445,600
27	Gifts and bequests for patient living and treatment	



1	environment.....		<u>1,000,000</u>
2	GROSS APPROPRIATION	\$	280,707,400
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues		34,724,400
6	Special revenue funds:		
7	CMHSP, purchase of state services contracts		139,465,600
8	Other local revenues		19,493,800
9	Total private revenues		1,000,000
10	Total other state restricted revenues		18,871,300
11	State general fund/general purpose	\$	67,152,300
12	Sec. 106. PUBLIC HEALTH ADMINISTRATION		
13	Full-time equated classified positions.....		100.4
14	Public health administration--7.3 FTE positions	\$	1,574,000
15	Health and wellness initiatives--11.7 FTE positions ..		8,450,000
16	Vital records and health statistics--81.4 FTE		
17	positions.....		<u>11,483,500</u>
18	GROSS APPROPRIATION	\$	21,507,500
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Interdepartmental grant from the department of human		
22	services.....		1,208,200
23	Federal revenues:		
24	Total federal revenues		3,657,000
25	Special revenue funds:		
26	Total other state restricted revenues		12,053,900
27	State general fund/general purpose	\$	4,588,400



1 **Sec. 107. HEALTH POLICY**

2	Full-time equated classified positions	64.8	
3	Certificate of need program administration--12.3 FTE		
4	positions.....		\$ 2,785,200
5	Emergency medical services program--23.0 FTE positions		6,421,800
6	Health innovation grants		1,500,000
7	Health policy administration--24.1 FTE positions		3,112,700
8	Michigan essential health provider		3,091,300
9	Minority health grants and contracts		612,700
10	Nurse education and research program--3.0 FTE		
11	positions.....		774,400
12	Primary care services--1.4 FTE positions		4,067,900
13	Rural health services--1.0 FTE position		<u>1,531,500</u>
14	GROSS APPROPRIATION		\$ 23,897,500
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	Interdepartmental grant from the department of		
18	licensing and regulatory affairs		774,400
19	Interdepartmental grant from the department of		
20	treasury, Michigan state hospital finance authority .		116,200
21	Federal revenues:		
22	Total federal revenues		7,994,500
23	Special revenue funds:		
24	Total private revenues		865,000
25	Total other state restricted revenues		6,565,700
26	State general fund/general purpose		\$ 7,581,700
27	Sec. 108. LABORATORY SERVICES		



1	Full-time equated classified positions	100.0	
2	Laboratory services--100.0 FTE positions		\$ <u>19,043,200</u>
3	GROSS APPROPRIATION		\$ 19,043,200
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	Interdepartmental grant from the department of		
7	environmental quality.....		975,600
8	Federal revenues:		
9	Total federal revenues		2,298,100
10	Special revenue funds:		
11	Total other state restricted revenues		8,993,900
12	State general fund/general purpose		\$ 6,775,600
13	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE		
14	Full-time equated classified positions	144.9	
15	AIDS surveillance and prevention program		\$ 1,854,100
16	Bioterrorism preparedness--52.0 FTE positions		30,094,200
17	Epidemiology administration--41.6 FTE positions		11,845,700
18	Healthy homes program--8.0 FTE positions		3,886,200
19	Immunization program--12.8 FTE positions		15,022,300
20	Newborn screening follow-up and treatment services--		
21	10.5 FTE positions.....		6,748,800
22	Sexually transmitted disease control program--20.0 FTE		
23	positions.....		6,252,900
24	Tuberculosis control and prevention		<u>867,000</u>
25	GROSS APPROPRIATION		\$ 76,571,200
26	Appropriated from:		
27	Federal revenues:		



1	Total federal revenues	58,971,700
2	Special revenue funds:	
3	Total private revenues	338,800
4	Total other state restricted revenues	11,110,500
5	State general fund/general purpose	\$ 6,150,200
6	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
7	Full-time equated classified positions	2.0
8	Essential local public health services	\$ 40,886,100
9	Implementation of 1993 PA 133, MCL 333.17015	20,000
10	Local health services--2.0 FTE positions	537,300
11	Medicaid outreach cost reimbursement to local health	
12	departments.....	<u>9,000,000</u>
13	GROSS APPROPRIATION	\$ 50,443,400
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues	9,537,300
17	Special revenue funds:	
18	Total local revenues	5,150,000
19	State general fund/general purpose	\$ 35,756,100
20	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND	
21	HEALTH PROMOTION	
22	Full-time equated classified positions	96.0
23	AIDS prevention, testing, and care programs--31.7 FTE	
24	positions.....	\$ 70,427,500
25	Cancer prevention and control program--12.0 FTE	
26	positions.....	15,009,000
27	Chronic disease control and health promotion	



1	administration--29.4 FTE positions	4,139,900
2	Diabetes and kidney program--8.0 FTE positions	1,893,300
3	Injury control intervention project	1,350,000
4	Smoking prevention program--12.0 FTE positions	2,111,000
5	Violence prevention--2.9 FTE positions	<u>1,824,000</u>
6	GROSS APPROPRIATION	\$ 96,754,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	49,169,800
10	Special revenue funds:	
11	Total private revenues	38,778,400
12	Total other state restricted revenues	5,535,000
13	State general fund/general purpose	\$ 3,271,500
14	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
15	SERVICES	
16	Full-time equated classified positions	65.6
17	Childhood lead program--2.5 FTE positions	\$ 1,236,200
18	Dental programs--3.0 FTE positions	1,647,600
19	Dental program for persons with developmental	
20	disabilities.....	151,000
21	Family, maternal, and children's health services	
22	administration--46.1 FTE positions	7,817,800
23	Family planning local agreements	8,310,700
24	Local MCH services	7,018,100
25	Pregnancy prevention program	602,100
26	Prenatal care outreach and service delivery support--	
27	14.0 FTE positions.....	19,835,700



1	Special projects	6,832,900
2	Sudden infant death syndrome program	<u>321,300</u>
3	GROSS APPROPRIATION	\$ 53,773,400
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	41,805,000
7	Social security act, temporary assistance for needy	
8	families.....	2,500,000
9	Special revenue funds:	
10	Total local revenues	75,000
11	Total private revenues	874,500
12	State general fund/general purpose	\$ 8,518,900
13	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
14	NUTRITION PROGRAM	
15	Full-time equated classified positions.....	45.0
16	Women, infants, and children program administration	
17	and special projects--45.0 FTE positions	\$ 17,923,200
18	Women, infants, and children program local agreements	
19	and food costs.....	<u>256,285,000</u>
20	GROSS APPROPRIATION	\$ 274,208,200
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues	213,130,300
24	Special revenue funds:	
25	Total private revenues	61,077,900
26	State general fund/general purpose	\$ 0
27	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	



1	Full-time equated classified positions	46.8	
2	Children's special health care services		
3	administration--44.0 FTE positions		\$ 5,582,100
4	Bequests for care and services--2.8 FTE positions		1,528,800
5	Outreach and advocacy		5,510,000
6	Nonemergency medical transportation		1,505,900
7	Medical care and treatment		<u>187,931,700</u>
8	GROSS APPROPRIATION		\$ 202,058,500
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		106,258,400
12	Special revenue funds:		
13	Total private revenues		1,009,300
14	Total other state restricted revenues		3,857,400
15	State general fund/general purpose		\$ 90,933,400
16	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
17	Full-time equated classified positions	13.0	
18	Grants administration services--13.0 FTE positions ...		\$ 2,128,100
19	Justice assistance grants		15,000,000
20	Crime victim rights services grants		<u>16,870,000</u>
21	GROSS APPROPRIATION		\$ 33,998,100
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues		18,696,900
25	Special revenue funds:		
26	Total other state restricted revenues		15,301,200
27	State general fund/general purpose		\$ 0



1	Sec. 116. OFFICE OF SERVICES TO THE AGING	
2	Full-time equated classified positions	40.0
3	Office of services to aging administration--40.0 FTE	
4	positions	\$ 7,600,700
5	Community services	39,013,900
6	Nutrition services	39,044,000
7	Foster grandparent volunteer program	2,233,600
8	Retired and senior volunteer program	627,300
9	Senior companion volunteer program	1,604,400
10	Employment assistance	3,500,000
11	Respite care program	<u>5,868,700</u>
12	GROSS APPROPRIATION	\$ 99,492,600
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues	57,534,600
16	Special revenue funds:	
17	Total private revenues	677,500
18	Merit award trust fund	4,068,700
19	Total other state restricted revenues	1,400,000
20	State general fund/general purpose	\$ 35,811,800
21	Sec. 117. MEDICAL SERVICES ADMINISTRATION	
22	Full-time equated classified positions	495.5
23	Medical services administration--435.5 FTE positions .	\$ 79,162,800
24	Healthy Michigan plan administration--36.0 FTE	
25	positions	49,353,800
26	Facility inspection contract	132,800
27	MIChild administration	3,500,000



1	Electronic health record incentive program--24.0 FTE	
2	positions.....	<u>144,233,600</u>
3	GROSS APPROPRIATION	\$ 276,383,000
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	233,720,400
7	Special revenue funds:	
8	Total local revenues	105,900
9	Total private revenues	100,000
10	Total other state restricted revenues	331,700
11	State general fund/general purpose	\$ 42,125,000
12	Sec. 118. MEDICAL SERVICES	
13	Hospital services and therapy	\$ 1,176,851,000
14	Hospital disproportionate share payments	45,000,000
15	Physician services	389,549,100
16	Medicare premium payments	412,503,400
17	Pharmaceutical services	296,047,000
18	Home health services	5,792,700
19	Hospice services	114,669,100
20	Transportation	23,038,300
21	Auxiliary medical services	7,268,800
22	Dental services	198,120,700
23	Ambulance services	9,374,300
24	Long-term care services	1,410,855,900
25	Integrated care organization services	478,495,500
26	Medicaid home- and community-based services waiver ...	325,318,000
27	Adult home help services	287,148,600



1	Personal care services	11,501,100
2	Program of all-inclusive care for the elderly	66,672,600
3	Autism services	25,171,800
4	Health plan services	4,609,208,700
5	MIChild program	71,220,100
6	Federal Medicare pharmaceutical program	150,883,900
7	Maternal and child health	20,279,500
8	Healthy Michigan plan	2,247,573,500
9	Subtotal basic medical services program	12,382,543,600
10	School-based services	112,102,700
11	Special Medicaid reimbursement	321,831,500
12	Subtotal special medical services payments	<u>433,934,200</u>
13	GROSS APPROPRIATION	\$ 12,816,477,800
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues	9,214,801,700
17	Special revenue funds:	
18	Total local revenues	27,137,200
19	Total private revenues	2,100,000
20	Merit award trust fund	64,266,000
21	Total other state restricted revenues	1,977,940,500
22	State general fund/general purpose	\$ 1,530,232,400
23	Sec. 119. INFORMATION TECHNOLOGY	
24	Information technology services and projects	\$ 37,002,700
25	Michigan Medicaid information system	<u>50,201,100</u>
26	GROSS APPROPRIATION	\$ 87,203,800
27	Appropriated from:	



1	Federal revenues:	
2	Total federal revenues	45,480,400
3	Special revenue funds:	
4	Total private revenues	20,000,000
5	Total other state restricted revenues	1,988,000
6	State general fund/general purpose	\$ 19,735,400
7	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS	
8	Hospital services and therapy - graduate medical	
9	education.....	\$ 2,901,900
10	University autism programs	1,500,000
11	Child and adolescent health services	2,000,000
12	Mental health commission recommendations	8,962,500
13	Dental clinic program	<u>4,092,300</u>
14	GROSS APPROPRIATION	\$ 19,456,700
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	5,864,400
18	Social security act, temporary assistance for needy	
19	families.....	2,000,000
20	State general fund/general purpose	\$ 11,592,300

21 PART 2
 22 PROVISIONS CONCERNING APPROPRIATIONS
 23 FOR FISCAL YEAR 2014-2015

24 **GENERAL SECTIONS**

25 Sec. 201. Pursuant to section 30 of article IX of the state



1 constitution of 1963, total state spending from state resources
 2 under part 1 for fiscal year 2014-2015 is \$5,084,592,500.00 and
 3 state spending from state resources to be paid to local units of
 4 government for fiscal year 2014-2015 is \$1,066,893,100.00. The
 5 itemized statement below identifies appropriations from which
 6 spending to local units of government will occur:

7 DEPARTMENT OF COMMUNITY HEALTH

8 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

9	Community residential and support services	\$	757,200
10	Housing and support services		812,800
11	BEHAVIORAL HEALTH SERVICES		
12	State disability assistance program substance use		
13	disorder services.....	\$	2,018,000
14	Community substance use disorder prevention,		
15	education, and treatment programs.....		14,555,400
16	Medicaid mental health services		731,787,400
17	Community mental health non-Medicaid services		97,050,400
18	Mental health services for special populations		8,842,800
19	Medicaid substance use disorder services		14,857,900
20	Children's waiver home care program		6,056,200
21	Nursing home PAS/ARR-OBRA		2,725,300
22	PUBLIC HEALTH ADMINISTRATION		
23	Health and wellness initiatives	\$	3,584,600
24	HEALTH POLICY		
25	Primary care services	\$	413,900
26	LABORATORY SERVICES		
27	Laboratory services	\$	16,200



1	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
2	Immunization program	\$	1,123,500
3	Sexually transmitted disease control program		175,200
4	LOCAL HEALTH ADMINISTRATION AND GRANTS		
5	Essential local public health services	\$	35,736,100
6	Implementation of 1993 PA 133, MCL 333.17015		5,000
7	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
8	AIDS prevention, testing, and care programs	\$	1,600,100
9	Cancer prevention and control program		94,700
10	Chronic disease control and health promotion		
11	administration.....		12,000
12	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
13	Prenatal care outreach and service delivery support ..	\$	1,500,000
14	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
15	Medical care and treatment	\$	939,700
16	Outreach and advocacy		2,226,000
17	CRIME VICTIM SERVICES COMMISSION		
18	Crime victim rights services grants	\$	7,200,600
19	OFFICE OF SERVICES TO THE AGING		
20	Community services	\$	16,533,500
21	Nutrition services		10,587,000
22	Foster grandparent volunteer program		657,100
23	Retired and senior volunteer program		173,900
24	Senior companion volunteer program		348,800
25	Respite care program		5,115,000
26	MEDICAL SERVICES		
27	Dental services	\$	990,600



1	Long-term care services	84,754,000
2	Transportation	1,359,300
3	Hospital services and therapy	2,344,700
4	Physician services	<u>9,938,200</u>
5	TOTAL OF PAYMENTS TO LOCAL UNITS	
6	OF GOVERNMENT	\$ 1,066,893,100

7 Sec. 202. The appropriations authorized under this part and
8 part 1 are subject to the management and budget act, 1984 PA 431,
9 MCL 18.1101 to 18.1594.

10 Sec. 203. As used in this part and part 1:

11 (a) "AIDS" means acquired immunodeficiency syndrome.

12 (b) "CMHSP" means a community mental health services program
13 as that term is defined in section 100a of the mental health code,
14 1974 PA 258, MCL 330.1100a.

15 (c) "Current fiscal year" means the fiscal year ending
16 September 30, 2015.

17 (d) "Department" means the department of community health.

18 (e) "Director" means the director of the department.

19 (f) "DSH" means disproportionate share hospital.

20 (g) "EPSDT" means early and periodic screening, diagnosis, and
21 treatment.

22 (h) "Federal poverty level" means the poverty guidelines
23 published annually in the federal register by the United States
24 department of health and human services under its authority to
25 revise the poverty line under 42 USC 9902.

26 (i) "FTE" means full-time equated.

27 (j) "GME" means graduate medical education.



1 (k) "Health plan" means, at a minimum, an organization that
2 meets the criteria for delivering the comprehensive package of
3 services under the department's comprehensive health plan.

4 (l) "HEDIS" means healthcare effectiveness data and information
5 set.

6 (m) "HIV" means human immunodeficiency virus.

7 (n) "HMO" means health maintenance organization.

8 (o) "IDEA" means the individuals with disabilities education
9 act, 20 USC 1400 to 1482.

10 (p) "MCH" means maternal and child health.

11 (q) "MIChild" means the program described in section 1670.

12 (r) "PAS/ARR-OBRA" means the preadmission screening and annual
13 resident review required under the omnibus budget reconciliation
14 act of 1987, section 1919(e)(7) of the social security act, 42 USC
15 1396r.

16 (s) "PIHP" means a governmental entity designated by the
17 department as a regional entity or a specialty prepaid inpatient
18 health plan for Medicaid mental health services, services to
19 individuals with developmental disabilities, and substance use
20 disorder services. Regional entities are described in section 204b
21 of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty
22 prepaid inpatient health plans are described in section 232b of the
23 mental health code, 1974 PA 258, MCL 330.1232b.

24 (t) "Temporary assistance for needy families" means part A of
25 title IV of the social security act, 42 USC 601 to 619.

26 (u) "Title X" means title X of the public health service act,
27 42 USC 300 to 300a-8, that establishes grants to states for family



1 planning services.

2 (v) "Title XVIII" and "Medicare" mean title XVIII of the
3 social security act, 42 USC 1395 to 1395kkk-1.

4 (w) "Title XIX" and "Medicaid" mean title XIX of the social
5 security act, 42 USC 1396 to 1396w-5.

6 Sec. 206. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$200,000,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in part 1 under section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$40,000,000.00 for state
14 restricted contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in part 1 under section 393(2) of the management and budget act,
17 1984 PA 431, MCL 18.1393.

18 (3) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$20,000,000.00 for local
20 contingency funds. These funds are not available for expenditure
21 until they have been transferred to another line item in part 1
22 under section 393(2) of the management and budget act, 1984 PA 431,
23 MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$40,000,000.00 for private
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in part 1



1 under section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

3 Sec. 207. The department shall maintain, on a public
4 accessible website, a department scorecard that identifies, tracks,
5 and regularly updates key metrics that are used to monitor and
6 improve the department's performance.

7 Sec. 208. The departments and agencies receiving
8 appropriations in part 1 shall use the Internet to fulfill the
9 reporting requirements of this part and part 1. This requirement
10 may include transmission of reports via electronic mail to the
11 recipients identified for each reporting requirement, or it may
12 include placement of reports on the Internet or Intranet site.

13 Sec. 209. Funds appropriated in part 1 shall not be used for
14 the purchase of foreign goods or services, or both, if
15 competitively priced and of comparable quality American goods or
16 services, or both, are available. Preference shall be given to
17 goods or services, or both, manufactured or provided by Michigan
18 businesses if they are competitively priced and of comparable
19 quality. In addition, preference shall be given to goods or
20 services, or both, that are manufactured or provided by Michigan
21 businesses owned and operated by veterans if they are competitively
22 priced and of comparable quality.

23 Sec. 210. The director and the director of the office of
24 services to the aging shall take all reasonable steps to ensure
25 businesses in deprived and depressed communities compete for and
26 perform contracts to provide services or supplies, or both. The
27 director and the director of the office of services to the aging



1 shall strongly encourage firms with which the department contracts
2 to subcontract with certified businesses in depressed and deprived
3 communities for services, supplies, or both.

4 Sec. 211. If the revenue collected by the department from fees
5 and collections exceeds the amount appropriated in part 1, the
6 revenue may be carried forward with the approval of the state
7 budget director into the subsequent fiscal year. The revenue
8 carried forward under this section shall be used as the first
9 source of funds in the subsequent fiscal year.

10 Sec. 212. (1) On or before February 1 of the current fiscal
11 year, the department shall report to the house and senate
12 appropriations subcommittees on community health, the house and
13 senate fiscal agencies, and the state budget director on the
14 detailed name and amounts of federal, restricted, private, and
15 local sources of revenue that support the appropriations in each of
16 the line items in part 1.

17 (2) Upon the release of the next fiscal year executive budget
18 recommendation, the department shall report to the same parties in
19 subsection (1) on the amounts and detailed sources of federal,
20 restricted, private, and local revenue proposed to support the
21 total funds appropriated in each of the line items in part 1 of the
22 next fiscal year executive budget proposal.

23 Sec. 213. The state departments, agencies, and commissions
24 receiving tobacco tax funds and healthy Michigan funds from part 1
25 shall report by April 1 of the current fiscal year to the senate
26 and house appropriations committees, the senate and house fiscal
27 agencies, and the state budget director on the following:



1 (a) Detailed spending plan by appropriation line item
2 including description of programs and a summary of organizations
3 receiving these funds.

4 (b) Description of allocations or bid processes including need
5 or demand indicators used to determine allocations.

6 (c) Eligibility criteria for program participation and maximum
7 benefit levels where applicable.

8 (d) Outcome measures used to evaluate programs, including
9 measures of the effectiveness of these programs in improving the
10 health of Michigan residents.

11 (e) Any other information considered necessary by the house of
12 representatives or senate appropriations committees or the state
13 budget director.

14 Sec. 216. (1) In addition to funds appropriated in part 1 for
15 all programs and services, there is appropriated for write-offs of
16 accounts receivable, deferrals, and for prior year obligations in
17 excess of applicable prior year appropriations, an amount equal to
18 total write-offs and prior year obligations, but not to exceed
19 amounts available in prior year revenues.

20 (2) The department's ability to satisfy appropriation
21 deductions in part 1 shall not be limited to collections and
22 accruals pertaining to services provided in the current fiscal
23 year, but shall also include reimbursements, refunds, adjustments,
24 and settlements from prior years.

25 Sec. 218. The department shall include the following in its
26 annual list of proposed basic health services as required in part
27 23 of the public health code, 1978 PA 368, MCL 333.2301 to



1 333.2321:

2 (a) Immunizations.

3 (b) Communicable disease control.

4 (c) Sexually transmitted disease control.

5 (d) Tuberculosis control.

6 (e) Prevention of gonorrhea eye infection in newborns.

7 (f) Screening newborns for the conditions listed in section
8 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
9 recommended by the newborn screening quality assurance advisory
10 committee created under section 5430 of the public health code,
11 1978 PA 368, MCL 333.5430.

12 (g) Community health annex of the Michigan emergency
13 management plan.

14 (h) Prenatal care.

15 Sec. 219. (1) The department may contract with the Michigan
16 public health institute for the design and implementation of
17 projects and for other public health-related activities prescribed
18 in section 2611 of the public health code, 1978 PA 368, MCL
19 333.2611. The department may develop a master agreement with the
20 institute to carry out these purposes for up to a 3-year period.
21 The department shall report to the house and senate appropriations
22 subcommittees on community health, the house and senate fiscal
23 agencies, and the state budget director on or before January 1 of
24 the current fiscal year all of the following:

25 (a) A detailed description of each funded project.

26 (b) The amount allocated for each project, the appropriation
27 line item from which the allocation is funded, and the source of



1 financing for each project.

2 (c) The expected project duration.

3 (d) A detailed spending plan for each project, including a
4 list of all subgrantees and the amount allocated to each
5 subgrantee.

6 (2) On or before September 30 of the current fiscal year, the
7 department shall provide to the same parties listed in subsection
8 (1) a copy of all reports, studies, and publications produced by
9 the Michigan public health institute, its subcontractors, or the
10 department with the funds appropriated in part 1 and allocated to
11 the Michigan public health institute.

12 Sec. 223. The department may establish and collect fees for
13 publications, videos and related materials, conferences, and
14 workshops. Collected fees shall be used to offset expenditures to
15 pay for printing and mailing costs of the publications, videos and
16 related materials, and costs of the workshops and conferences. The
17 department shall not collect fees under this section that exceed
18 the cost of the expenditures.

19 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
20 state plan amendment, or a similar proposal to the centers for
21 Medicare and Medicaid services, the department shall notify the
22 house and senate appropriations subcommittees on community health
23 and the house and senate fiscal agencies of the submission.

24 (2) The department shall provide written or verbal biannual
25 reports to the senate and house appropriations subcommittees on
26 community health and the senate and house fiscal agencies
27 summarizing the status of any new or ongoing discussions with the



1 centers for Medicare and Medicaid services or the federal
2 department of health and human services regarding potential or
3 future Medicaid waiver applications.

4 (3) The department shall inform the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies of any alterations or adjustments made to the
7 published plan for integrated care for individuals who are dual
8 Medicare/Medicaid eligibles when the final version of the plan has
9 been submitted to the federal centers for Medicare and Medicaid
10 services or the federal department of health and human services.

11 (4) At least 30 days before implementation of the plan for
12 integrated care for individuals who are dual Medicare/Medicaid
13 eligibles, the department shall submit the plan to the legislature
14 for review.

15 Sec. 266. The departments and agencies receiving
16 appropriations in part 1 shall prepare a report on out-of-state
17 travel expenses not later than January 1 of each year. The travel
18 report shall be a listing of all travel by classified and
19 unclassified employees outside this state in the immediately
20 preceding fiscal year that was funded in whole or in part with
21 funds appropriated in the department's budget. The report shall be
22 submitted to the senate and house appropriations committees, the
23 house and senate fiscal agencies, and the state budget director.
24 The report shall include the following information:

25 (a) The dates of each travel occurrence.

26 (b) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general



1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

4 Sec. 267. The department shall not take disciplinary action
5 against an employee for communicating with a member of the
6 legislature or his or her staff.

7 Sec. 270. Within 180 days after receipt of the notification
8 from the attorney general's office of a legal action in which
9 expenses had been recovered pursuant to section 106(4) of the
10 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
11 under which the department has the right to recover expenses, the
12 department shall submit a written report to the house and senate
13 appropriations subcommittees on community health, the house and
14 senate fiscal agencies, and the state budget office which includes,
15 at a minimum, all of the following:

16 (a) The total amount recovered from the legal action.

17 (b) The program or service for which the money was originally
18 expended.

19 (c) Details on the disposition of the funds recovered such as
20 the appropriation or revenue account in which the money was
21 deposited.

22 (d) A description of the facts involved in the legal action.

23 Sec. 276. Funds appropriated in part 1 shall not be used by a
24 principal executive department, state agency, or authority to hire
25 a person to provide legal services that are the responsibility of
26 the attorney general. This prohibition does not apply to legal
27 services for bonding activities and for those outside services that



1 the attorney general authorizes.

2 Sec. 282. (1) The department shall work with the department of
3 technology, management, and budget to establish an automated annual
4 metric collection, validation, and reporting process for contracts
5 via the state's e-procurement system.

6 (2) By June 30 of the current fiscal year, the department
7 shall provide a report to the house and senate appropriations
8 subcommittees on community health and the house and senate fiscal
9 agencies that presents performance metrics on all new or existing
10 contracts at renewal of \$1,000,000.00 or more funded with state
11 general fund/general purpose or state restricted resources. The
12 performance metrics shall include, at a minimum, service delivery
13 volumes and provider or beneficiary outcomes.

14 Sec. 287. Not later than November 30, the state budget office
15 shall prepare and transmit a report that provides for estimates of
16 the total general fund/general purpose appropriation lapses at the
17 close of the prior fiscal year. This report shall summarize the
18 projected year-end general fund/general purpose appropriation
19 lapses by major departmental program or program areas. The report
20 shall be transmitted to the chairpersons of the senate and house
21 appropriations committees, and the senate and house fiscal
22 agencies.

23 Sec. 288. Beginning October 1, 2014, no less than 90% of a new
24 department contract supported solely from state restricted funds or
25 general funds and designated in this part or part 1 for a specific
26 entity for the purpose of providing services to individuals shall
27 be expended for such services.



1 Sec. 292. The department shall cooperate with the department
2 of technology, management, and budget to maintain a searchable
3 website accessible by the public at no cost that includes, but is
4 not limited to, all of the following:

5 (a) Fiscal year-to-date expenditures by category.

6 (b) Fiscal year-to-date expenditures by appropriation unit.

7 (c) Fiscal year-to-date payments to a selected vendor,
8 including the vendor name, payment date, payment amount, and
9 payment description.

10 (d) The number of active department employees by job
11 classification.

12 (e) Job specifications and wage rates.

13 Sec. 296. Within 14 days after the release of the executive
14 budget recommendation, the department shall cooperate with the
15 state budget office to provide the senate and house appropriations
16 chairs, the senate and house appropriations subcommittees on
17 community health, and the senate and house fiscal agencies with an
18 annual report on estimated state restricted fund balances, state
19 restricted fund projected revenues, and state restricted fund
20 expenditures for the fiscal years ending September 30, 2013 and
21 September 30, 2015.

22 Sec. 297. Total authorized appropriations from all sources
23 under part 1 for legacy costs for the fiscal year ending September
24 30, 2015 is \$89,124,600.00. From this amount, total agency
25 appropriations for pension-related legacy costs are estimated at
26 \$49,676,000.00. Total agency appropriations for retiree health care
27 legacy costs are estimated at \$39,448,600.00.



1 Sec. 298. From the funds appropriated in part 1 for the
2 Michigan Medicaid information system line item, \$20,000,000.00 in
3 private revenue will be allocated for the Michigan-Illinois
4 alliance Medicaid management information systems project.

5 **BEHAVIORAL HEALTH SERVICES**

6 Sec. 401. Funds appropriated in part 1 are intended to support
7 a system of comprehensive community mental health services under
8 the full authority and responsibility of local CMHSPs or PIHPs in
9 accordance with the mental health code, 1974 PA 258, MCL 330.1001
10 to 330.2106, the Medicaid provider manual, federal Medicaid
11 waivers, and all other applicable federal and state laws.

12 Sec. 402. (1) From funds appropriated in part 1, final
13 authorizations to CMHSPs or PIHPs shall be made upon the execution
14 of contracts between the department and CMHSPs or PIHPs. The
15 contracts shall contain an approved plan and budget as well as
16 policies and procedures governing the obligations and
17 responsibilities of both parties to the contracts. Each contract
18 with a CMHSP or PIHP that the department is authorized to enter
19 into under this subsection shall include a provision that the
20 contract is not valid unless the total dollar obligation for all of
21 the contracts between the department and the CMHSPs or PIHPs
22 entered into under this subsection for the current fiscal year does
23 not exceed the amount of money appropriated in part 1 for the
24 contracts authorized under this subsection.

25 (2) The department shall immediately report to the senate and
26 house appropriations subcommittees on community health, the senate



1 and house fiscal agencies, and the state budget director if either
2 of the following occurs:

3 (a) Any new contracts with CMHSPs or PIHPs that would affect
4 rates or expenditures are enacted.

5 (b) Any amendments to contracts with CMHSPs or PIHPs that
6 would affect rates or expenditures are enacted.

7 (3) The report required by subsection (2) shall include
8 information about the changes and their effects on rates and
9 expenditures.

10 Sec. 403. (1) From the funds appropriated in part 1 for mental
11 health services for special populations, the department shall
12 competitively award grants in accordance with the requirements of
13 subsection (2). The state shall not be liable for any spending
14 above the contract amount.

15 (2) From the funds appropriated in part 1 for mental health
16 services for special populations, the department shall require each
17 contractor to comply with performance related metrics to maintain
18 their eligibility for funding. The organizational metrics shall
19 include, but not be limited to, all of the following:

20 (a) Each contractor or subcontractor shall have accreditations
21 that attest to their competency and effectiveness as behavioral
22 health and social service agencies.

23 (b) Each contractor or subcontractor shall have a mission that
24 is consistent with the purpose of the mental health and social
25 services appropriations for special populations.

26 (c) Each contractor shall validate that any subcontractors
27 utilized within these appropriations share the same mission as the



1 lead agency receiving funding.

2 (d) Each contractor or subcontractor shall demonstrate cost-
3 effectiveness.

4 (e) Each contractor or subcontractor shall ensure their
5 ability to leverage private dollars to strengthen and maximize
6 service provision.

7 (f) Each contractor or subcontractor shall provide timely and
8 accurate reports regarding the number of clients served, units of
9 service provision, and ability to meet their stated goals.

10 (3) The department shall require an annual report from the
11 contractors that receive mental health services for special
12 populations funding. The annual report, due 60 days following the
13 end of the contract period, shall include specific information on
14 services and programs provided, the client base to which the
15 services and programs were provided, information on any wraparound
16 services provided, and the expenditures for those services. The
17 department shall provide the annual reports to the senate and house
18 appropriations subcommittees on community health, the senate and
19 house fiscal agencies, and the state budget office.

20 Sec. 404. (1) Not later than May 31 of the current fiscal
21 year, the department shall provide a report on the community mental
22 health services programs, PIHPs, regional entities designated by
23 the department as PIHPs, and managing entities for substance use
24 disorders to the members of the house and senate appropriations
25 subcommittees on community health, the house and senate fiscal
26 agencies, and the state budget director that includes the
27 information required by this section.



1 (2) The report shall contain information for each CMHSP, PIHP,
2 regional entity designated by the department as a PIHP, and
3 managing entity for substance use disorders and a statewide
4 summary, each of which shall include at least the following
5 information:

6 (a) A demographic description of service recipients which,
7 minimally, shall include reimbursement eligibility, client
8 population, age, ethnicity, housing arrangements, and diagnosis.

9 (b) Per capita expenditures by client population group.

10 (c) Financial information that, minimally, includes a
11 description of funding authorized; expenditures by client group and
12 fund source; and cost information by service category, including
13 administration and funds specified for outside contracts. Service
14 category includes all department-approved services.

15 (d) Data describing service outcomes that includes, but is not
16 limited to, an evaluation of consumer satisfaction, consumer
17 choice, and quality of life concerns including, but not limited to,
18 housing and employment.

19 (e) Information about access to community mental health
20 services programs that includes, but is not limited to, the
21 following:

22 (i) The number of people receiving requested services.

23 (ii) The number of people who requested services but did not
24 receive services.

25 (f) The number of second opinions requested under the code and
26 the determination of any appeals.

27 (g) An analysis of information provided by CMHSPs in response



1 to the needs assessment requirements of the mental health code,
2 1974 PA 258, MCL 330.1001 to 330.2106, including information about
3 the number of individuals in the service delivery system who have
4 requested and are clinically appropriate for different services.

5 (h) Lapses and carryforwards during the immediately preceding
6 fiscal year for CMHSPs, PIHPs, regional entities designated by the
7 department as PIHPs, and managing entities for substance use
8 disorders.

9 (i) Information about contracts for both administrative and
10 mental health services entered into by CMHSPs, PIHPs, regional
11 entities designated by the department as PIHPs, and managing
12 entities for substance use disorders with providers and others,
13 including, but not limited to, all of the following:

14 (i) The amount of the contract, organized by type of service
15 provided.

16 (ii) Payment rates, organized by the type of service provided.

17 (iii) Administrative costs, including contract and consultant
18 costs, for services provided to CMHSPs, PIHPs, regional entities
19 designated by the department as PIHPs, and managing entities for
20 substance use disorders.

21 (j) Information on the community mental health Medicaid
22 managed care program, including, but not limited to, both of the
23 following:

24 (i) Expenditures by each CMHSP, PIHP, regional entity
25 designated by the department as a PIHP, and managing entity for
26 substance use disorders organized by Medicaid eligibility group,
27 including per eligible individual expenditure averages.



1 (ii) Performance indicator information required to be submitted
2 to the department in the contracts with CMHSPs, PIHPs, regional
3 entities designated by the department as PIHPs, and managing
4 entities for substance use disorders.

5 (k) An estimate of the number of direct care workers in local
6 residential settings and paraprofessional and other nonprofessional
7 direct care workers in settings where skill building, community
8 living supports and training, and personal care services are
9 provided by CMHSPs, PIHPs, regional entities designated by the
10 department as PIHPs, and managing entities for substance use
11 disorders as of September 30 of the prior fiscal year employed
12 directly or through contracts with provider organizations.

13 (3) The department shall include data reporting requirements
14 listed in subsection (2) in the annual contract with each
15 individual CMHSP, PIHP, regional entity designated by the
16 department as a PIHP, and managing entity for substance use
17 disorders.

18 (4) The department shall take all reasonable actions to ensure
19 that the data required are complete and consistent among all
20 CMHSPs, PIHPs, regional entities designated by the department as
21 PIHPs, and managing entities for substance use disorders.

22 Sec. 406. (1) The funds appropriated in part 1 for the state
23 disability assistance substance use disorder services program shall
24 be used to support per diem room and board payments in substance
25 use disorder residential facilities. Eligibility of clients for the
26 state disability assistance substance use disorder services program
27 shall include needy persons 18 years of age or older, or



1 emancipated minors, who reside in a substance use disorder
2 treatment center.

3 (2) The department shall reimburse all licensed substance use
4 disorder services programs eligible to participate in the program
5 at a rate equivalent to that paid by the department of human
6 services to adult foster care providers. Programs accredited by
7 department-approved accrediting organizations shall be reimbursed
8 at the personal care rate, while all other eligible programs shall
9 be reimbursed at the domiciliary care rate.

10 Sec. 407. (1) The amount appropriated in part 1 for substance
11 use disorder prevention, education, and treatment grants shall be
12 expended to coordinate care and services provided to individuals
13 with severe and persistent mental illness and substance use
14 disorder diagnoses.

15 (2) The department shall approve managing entity fee schedules
16 for providing substance use disorder services and charge
17 participants in accordance with their ability to pay.

18 (3) The managing entity shall continue current efforts to
19 collaborate on the delivery of services to those clients with
20 mental illness and substance use disorder diagnoses with the goal
21 of providing services in an administratively efficient manner.

22 Sec. 408. (1) By April 1 of the current fiscal year, the
23 department shall report the following data from the prior fiscal
24 year on substance use disorder prevention, education, and treatment
25 programs to the senate and house appropriations subcommittees on
26 community health, the senate and house fiscal agencies, and the
27 state budget office:



1 (a) Expenditures stratified by department-designated community
2 mental health entity, by central diagnosis and referral agency, by
3 fund source, by subcontractor, by population served, and by service
4 type. Additionally, data on administrative expenditures by
5 department-designated community mental health entity shall be
6 reported.

7 (b) Expenditures per state client, with data on the
8 distribution of expenditures reported using a histogram approach.

9 (c) Number of services provided by central diagnosis and
10 referral agency, by subcontractor, and by service type.
11 Additionally, data on length of stay, referral source, and
12 participation in other state programs.

13 (d) Collections from other first- or third-party payers,
14 private donations, or other state or local programs, by department-
15 designated community mental health entity, by subcontractor, by
16 population served, and by service type.

17 (2) The department shall take all reasonable actions to ensure
18 that the required data reported are complete and consistent among
19 all department-designated community mental health entities.

20 Sec. 410. The department shall assure that substance use
21 disorder treatment is provided to applicants and recipients of
22 public assistance through the department of human services who are
23 required to obtain substance use disorder treatment as a condition
24 of eligibility for public assistance.

25 Sec. 411. (1) The department shall ensure that each contract
26 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
27 programs to encourage diversion of individuals with serious mental



1 illness, serious emotional disturbance, or developmental disability
2 from possible jail incarceration when appropriate.

3 (2) Each CMHSP or PIHP shall have jail diversion services and
4 shall work toward establishing working relationships with
5 representative staff of local law enforcement agencies, including
6 county prosecutors' offices, county sheriffs' offices, county
7 jails, municipal police agencies, municipal detention facilities,
8 and the courts. Written interagency agreements describing what
9 services each participating agency is prepared to commit to the
10 local jail diversion effort and the procedures to be used by local
11 law enforcement agencies to access mental health jail diversion
12 services are strongly encouraged.

13 Sec. 412. The department shall contract directly with the
14 Salvation Army harbor light program to provide non-Medicaid
15 substance use disorder services.

16 Sec. 418. On or before the tenth of each month, the department
17 shall report to the senate and house appropriations subcommittees
18 on community health, the senate and house fiscal agencies, and the
19 state budget director on the amount of funding paid to PIHPs to
20 support the Medicaid managed mental health care program in the
21 preceding month. The information shall include the total paid to
22 each PIHP, per capita rate paid for each eligibility group for each
23 PIHP, and number of cases in each eligibility group for each PIHP,
24 and year-to-date summary of eligibles and expenditures for the
25 Medicaid managed mental health care program.

26 Sec. 424. Each PIHP that contracts with the department to
27 provide services to the Medicaid population shall adhere to the



1 following timely claims processing and payment procedure for claims
2 submitted by health professionals and facilities:

3 (a) A "clean claim" as described in section 111i of the social
4 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
5 days after receipt of the claim by the PIHP. A clean claim that is
6 not paid within this time frame shall bear simple interest at a
7 rate of 12% per annum.

8 (b) A PIHP shall state in writing to the health professional
9 or facility any defect in the claim within 30 days after receipt of
10 the claim.

11 (c) A health professional and a health facility have 30 days
12 after receipt of a notice that a claim or a portion of a claim is
13 defective within which to correct the defect. The PIHP shall pay
14 the claim within 30 days after the defect is corrected.

15 Sec. 428. Each PIHP shall provide, from internal resources,
16 local funds to be used as a bona fide part of the state match
17 required under the Medicaid program in order to increase capitation
18 rates for PIHPs. These funds shall not include either state funds
19 received by a CMHSP for services provided to non-Medicaid
20 recipients or the state matching portion of the Medicaid capitation
21 payments made to a PIHP.

22 Sec. 435. A county required under the provisions of the mental
23 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
24 matching funds to a CMHSP for mental health services rendered to
25 residents in its jurisdiction shall pay the matching funds in equal
26 installments on not less than a quarterly basis throughout the
27 fiscal year, with the first payment being made by October 1 of the



1 current fiscal year.

2 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,
3 PIHP, or subcontracting provider agency is reviewed and accredited
4 by a national accrediting entity for behavioral health care
5 services, the department, by April 1 of the current fiscal year,
6 shall consider that CMHSP, PIHP, or subcontracting provider agency
7 in compliance with state program review and audit requirements that
8 are addressed and reviewed by that national accrediting entity.

9 (2) By June 1 of the current fiscal year, the department shall
10 report to the house and senate appropriations subcommittees on
11 community health, the house and senate fiscal agencies, and the
12 state budget office all of the following:

13 (a) A list of each CMHSP, PIHP, and subcontracting provider
14 agency that is considered in compliance with state program review
15 and audit requirements under subsection (1).

16 (b) For each CMHSP, PIHP, or subcontracting provider agency
17 described in subdivision (a), all of the following:

18 (i) The state program review and audit requirements that the
19 CMHSP, PIHP, or subcontracting provider agency is considered in
20 compliance with.

21 (ii) The national accrediting entity that reviewed and
22 accredited the CMHSP, PIHP, or subcontracting provider agency.

23 (3) The department shall continue to comply with state and
24 federal law and shall not initiate an action that negatively
25 impacts beneficiary safety.

26 (4) As used in this section, "national accrediting entity"
27 means the joint commission on accreditation of healthcare



1 organizations, the commission on accreditation of rehabilitation
2 facilities, the council of accreditation, the utilization review
3 accreditation commission, the national committee for quality
4 assurance, or other appropriate entity, as approved by the
5 department.

6 Sec. 495. From the funds appropriated in part 1 for behavioral
7 health program administration, \$3,350,000.00 is intended to address
8 the recommendations of the mental health diversion council.

9 Sec. 496. CMHSPs and PIHPs are permitted to offset state
10 funding reductions by limiting the administrative component of
11 their contracts with providers and case management to a maximum of
12 9%.

13 Sec. 502. (1) The department shall explore developing an
14 outreach program on fetal alcohol syndrome services. The department
15 shall report to the senate and house appropriations subcommittees
16 on community health and the senate and house fiscal agencies by
17 April 1 of the current fiscal year on efforts to prevent and combat
18 fetal alcohol syndrome as well as deficiencies in efforts to reduce
19 the incidence of fetal alcohol syndrome.

20 (2) The department shall explore federal grant funding to
21 address prevention services for fetal alcohol syndrome and reduce
22 alcohol consumption among pregnant women. The department shall
23 submit a progress report to the senate and house appropriations
24 subcommittees on community health and the senate and house fiscal
25 agencies by April 1 of the current fiscal year on efforts to secure
26 federal grants.

27 Sec. 503. The department shall notify the Michigan association



1 of community mental health boards when developing policies and
2 procedures that will impact PIHPs or CMHSPs.

3 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

4 Sec. 601. The department shall continue a revenue recapture
5 project to generate additional revenues from third parties related
6 to cases that have been closed or are inactive. A portion of
7 revenues collected through project efforts may be used for
8 departmental costs and contractual fees associated with these
9 retroactive collections and to improve ongoing departmental
10 reimbursement management functions.

11 Sec. 602. The purpose of gifts and bequests for patient living
12 and treatment environments is to use additional private funds to
13 provide specific enhancements for individuals residing at state-
14 operated facilities. Use of the gifts and bequests shall be
15 consistent with the stipulation of the donor. The expected
16 completion date for the use of gifts and bequests donations is
17 within 3 years unless otherwise stipulated by the donor.

18 Sec. 605. (1) The department shall not implement any closures
19 or consolidations of state hospitals, centers, or agencies until
20 CMHSPs or PIHPs have programs and services in place for those
21 individuals currently in those facilities and a plan for service
22 provision for those individuals who would have been admitted to
23 those facilities.

24 (2) All closures or consolidations are dependent upon adequate
25 department-approved CMHSP and PIHP plans that include a discharge
26 and aftercare plan for each individual currently in the facility. A



1 discharge and aftercare plan shall address the individual's housing
2 needs. A homeless shelter or similar temporary shelter arrangements
3 are inadequate to meet the individual's housing needs.

4 (3) Four months after the certification of closure required in
5 section 19(6) of the state employees' retirement act, 1943 PA 240,
6 MCL 38.19, the department shall provide a closure plan to the house
7 and senate appropriations subcommittees on community health and the
8 state budget director.

9 (4) Upon the closure of state-run operations and after
10 transitional costs have been paid, the remaining balances of funds
11 appropriated for that operation shall be transferred to CMHSPs or
12 PIHPs responsible for providing services for individuals previously
13 served by the operations.

14 Sec. 606. The department may collect revenue for patient
15 reimbursement from first- and third-party payers, including
16 Medicaid and local county CMHSP payers, to cover the cost of
17 placement in state hospitals and centers. The department is
18 authorized to adjust financing sources for patient reimbursement
19 based on actual revenues earned. If the revenue collected exceeds
20 current year expenditures, the revenue may be carried forward with
21 approval of the state budget director. The revenue carried forward
22 shall be used as a first source of funds in the subsequent year.

23 Sec. 608. Effective October 1 of the current fiscal year, the
24 department, in consultation with the department of technology,
25 management, and budget, may maintain a bid process to identify 1 or
26 more private contractors to provide food service and custodial
27 services for the administrative areas at any state hospital



1 identified by the department as capable of generating savings
2 through the outsourcing of such services.

3 **PUBLIC HEALTH ADMINISTRATION**

4 Sec. 650. By October 1 of the current fiscal year, the
5 department shall provide to the senate and house appropriations
6 subcommittees on community health a report that includes detailed
7 information regarding the current process by which fish consumption
8 advisories are created and revised. The department shall include
9 all of the following information in the report:

10 (a) The triggers to begin the process for developing the fish
11 consumption advisories, such as evidence of human disease, fish
12 residue data, and biomonitoring data.

13 (b) The process for developing and modifying a fish
14 consumption advisory, including the data inputs used, the rationale
15 behind the selection of particular fish for collection, whether the
16 process has been independently reviewed and validated by a
17 scientific panel or benchmarked in any way, and the reasons for the
18 lack of any independent review, validation, or benchmarking.

19 (c) The type of data specific to a particular body of water
20 that would be needed to modify a current fish consumption advisory,
21 including the data quality criteria that are used to determine if
22 data are suitable for use in the assessment and exclusions to
23 bodies of data and the justifications for such exclusions.

24 (d) Information on the ways stakeholder input is incorporated
25 into the fish consumption advisory process prior to an advisory
26 being issued.



1 (e) Information on how advisory analyses are documented,
2 including how uncertainty analyses are conducted and reported, with
3 information as to whether these evaluations are publicly available
4 and, if not available, an explanation of why any such evaluations
5 are not publicly available.

6 Sec. 651. The department shall work with the Michigan health
7 endowment fund corporation established pursuant to section 653 of
8 the nonprofit health care corporation reform act, 1980 PA 350, MCL
9 550.1653, to explore ways to expand health and wellness programs.

10 Sec. 654. From the funds appropriated in part 1 for health and
11 wellness initiatives, \$1,000,000.00 shall be allocated for a school
12 children's healthy exercise program to promote and advance physical
13 health for school children in kindergarten through grade 8. The
14 department shall recommend model programs for sites to implement
15 that incorporate evidence-based best practices. The department
16 shall grant no less than 1/2 of the funds appropriated in part 1
17 for before- and after-school programs. The department shall
18 establish guidelines for program sites, which may include schools,
19 community-based organizations, private facilities, recreation
20 centers, or other similar sites. The program format shall encourage
21 local determination of site activities and shall encourage local
22 inclusion of youth in the decision-making regarding site
23 activities. Program goals shall include children experiencing
24 improved physical health and access to physical activity
25 opportunities, the reduction of obesity, providing a safe place to
26 play and exercise, and nutrition education. To be eligible to
27 participate, program sites shall provide a 20% match to the state



1 funding, which may be provided in full, or in part, by a
2 corporation, foundation, or private partner. The department shall
3 seek financial support from corporate, foundation, or other private
4 partners for the program or for individual program sites.

5 HEALTH POLICY

6 Sec. 709. (1) The funds appropriated in part 1 for the
7 Michigan essential health care provider program may also provide
8 loan repayment for dentists that fit the criteria established by
9 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
10 333.2727.

11 (2) From the funds appropriated in part 1 for the Michigan
12 essential health provider program, the department may reduce the
13 local and private share of the loan and repayment costs to 25% for
14 primary care physicians, particularly obstetricians and
15 gynecologists working in underserved areas.

16 Sec. 712. From the funds appropriated in part 1 for primary
17 care services, \$250,000.00 shall be allocated to free health
18 clinics operating in the state. The department shall distribute the
19 funds equally to each free health clinic. For the purpose of this
20 appropriation, "free health clinics" means nonprofit organizations
21 that use volunteer health professionals to provide care to
22 uninsured individuals.

23 Sec. 713. The department shall continue support of
24 multicultural agencies that provide primary care services from the
25 funds appropriated in part 1.

26 Sec. 715. The department shall evaluate options for



1 incentivizing students attending medical schools in this state to
2 meet their primary care residency requirements in this state and
3 ultimately, for some period of time, to remain in this state and
4 serve as primary care physicians.

5 Sec. 717. (1) The department may award health innovation
6 grants to address emerging issues and encourage cutting edge
7 advances in health care including strategic partners in both the
8 public and private sectors.

9 (2) The unexpended funds appropriated for the health
10 innovation grants are considered work project appropriations, and
11 any unencumbered or unallotted funds are carried forward into the
12 following fiscal year. The following is in compliance with section
13 451a(1) of the management and budget act, 1984 PA 431, MCL
14 18.1451a:

15 (a) The purpose of the project to be carried forward is to
16 address emerging issues and encourage cutting edge advances in
17 health care including strategic partners in both the public and
18 private sectors.

19 (b) The project will be accomplished by providing incentive
20 grants.

21 (c) The estimated cost of this project phase is identified in
22 the appropriation line item.

23 (d) The tentative completion date for the work project is
24 September 30, 2019.

25 **EPIDEMIOLOGY AND INFECTIOUS DISEASE**

26 Sec. 851. (1) From the funds appropriated in part 1 for the



1 healthy homes program, no less than \$1,250,000.00 shall be
2 allocated for lead abatement of homes.

3 (2) The department shall coordinate its lead abatement efforts
4 with the Michigan community action agency association, specifically
5 on the issue of window replacement.

6 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

7 Sec. 901. The amount appropriated in part 1 for implementation
8 of the 1993 additions of or amendments to sections 9161, 16221,
9 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
10 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
11 333.17515, shall be used to reimburse local health departments for
12 costs incurred related to implementation of section 17015(18) of
13 the public health code, 1978 PA 368, MCL 333.17015.

14 Sec. 902. If a county that has participated in a district
15 health department or an associated arrangement with other local
16 health departments takes action to cease to participate in such an
17 arrangement after October 1 of the current fiscal year, the
18 department shall have the authority to assess a penalty from the
19 local health department's operational accounts in an amount equal
20 to no more than 6.25% of the local health department's essential
21 local public health services funding. This penalty shall only be
22 assessed to the local county that requests the dissolution of the
23 health department.

24 Sec. 904. (1) Funds appropriated in part 1 for essential local
25 public health services shall be prospectively allocated to local
26 health departments to support immunizations, infectious disease



1 control, sexually transmitted disease control and prevention,
2 hearing screening, vision services, food protection, public water
3 supply, private groundwater supply, and on-site sewage management.
4 Food protection shall be provided in consultation with the
5 department of agriculture and rural development. Public water
6 supply, private groundwater supply, and on-site sewage management
7 shall be provided in consultation with the department of
8 environmental quality.

9 (2) Local public health departments shall be held to
10 contractual standards for the services in subsection (1).

11 (3) Distributions in subsection (1) shall be made only to
12 counties that maintain local spending in the current fiscal year of
13 at least the amount expended in fiscal year 1992-1993 for the
14 services described in subsection (1).

15 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

16 Sec. 1104. (1) Before April 1 of the current fiscal year, the
17 department shall submit a report to the house and senate fiscal
18 agencies and the state budget director on planned allocations from
19 the amounts appropriated in part 1 for local MCH services, prenatal
20 care outreach and service delivery support, family planning local
21 agreements, and pregnancy prevention programs. Using applicable
22 federal definitions, the report shall include information on all of
23 the following:

24 (a) Funding allocations.

25 (b) Actual number of women, children, and adolescents served
26 and amounts expended for each group for the immediately preceding



1 fiscal year.

2 (c) A breakdown of the expenditure of these funds between
3 urban and rural communities.

4 (2) The department shall ensure that the distribution of funds
5 through the programs described in subsection (1) takes into account
6 the needs of rural communities.

7 (3) For the purposes of this section, "rural" means a county,
8 city, village, or township with a population of 30,000 or less,
9 including those entities if located within a metropolitan
10 statistical area.

11 Sec. 1106. Each family planning program receiving federal
12 title X family planning funds under 42 USC 300 to 300a-8 shall be
13 in compliance with all performance and quality assurance indicators
14 that the office of population affairs within the United States
15 department of health and human services specifies in the program
16 guidelines for project grants for family planning services. An
17 agency not in compliance with the indicators shall not receive
18 supplemental or reallocated funds.

19 Sec. 1108. The department shall not use state restricted funds
20 or state general funds appropriated in part 1 in the pregnancy
21 prevention program or family planning local agreements
22 appropriation line items for abortion counseling, referrals, or
23 services.

24 Sec. 1109. (1) From the amounts appropriated in part 1 for
25 dental programs, funds shall be allocated to the Michigan dental
26 association for the administration of a volunteer dental program
27 that provides dental services to the uninsured.



1 (2) Not later than December 1 of the current fiscal year, the
2 department shall report to the senate and house appropriations
3 subcommittees on community health and the senate and house standing
4 committees on health policy the number of individual patients
5 treated, number of procedures performed, and approximate total
6 market value of those procedures from the immediately preceding
7 fiscal year.

8 Sec. 1136. From the funds appropriated in part 1 for prenatal
9 care outreach and service delivery support, \$700,000.00 shall be
10 allocated for a pregnancy and parenting support services program as
11 a pilot project, which program must promote childbirth and
12 alternatives to abortion. The department shall establish a program
13 with a qualified contractor that will contract with qualified
14 service providers to provide free counseling, support, and referral
15 services to eligible women during pregnancy through 12 months after
16 birth. As appropriate, the goals for client outcomes shall include
17 an increase in client support, an increase in childbirth choice, an
18 increase in adoption knowledge, an improvement in parenting skills,
19 and improved reproductive health through abstinence education. The
20 contractor of the program shall provide for program training,
21 client educational material, program marketing, and annual service
22 provider site monitoring.

23 Sec. 1137. From the funds appropriated in part 1 for prenatal
24 care outreach and service delivery support, not less than
25 \$500,000.00 shall be allocated for evidence-based programs to
26 reduce infant mortality including nurse family partnership
27 programs. The funds shall be used for enhanced support and



1 education to nursing teams or other teams of qualified health
2 professionals, client recruitment in areas designated as
3 underserved for obstetrical and gynecological services and other
4 high-need communities, strategic planning to expand and sustain
5 programs, and marketing and communications of programs to raise
6 awareness, engage stakeholders, and recruit nurses.

7 Sec. 1138. The department shall allocate funds appropriated in
8 section 113 of part 1 for family, maternal, and children's health
9 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

10 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

11 Sec. 1202. The department may do 1 or more of the following:

12 (a) Provide special formula for eligible clients with
13 specified metabolic and allergic disorders.

14 (b) Provide medical care and treatment to eligible patients
15 with cystic fibrosis who are 21 years of age or older.

16 (c) Provide medical care and treatment to eligible patients
17 with hereditary coagulation defects, commonly known as hemophilia,
18 who are 21 years of age or older.

19 (d) Provide human growth hormone to eligible patients.

20 **CRIME VICTIM SERVICES COMMISSION**

21 Sec. 1302. From the funds appropriated in part 1 for justice
22 assistance grants, up to \$200,000.00 shall be allocated for
23 expansion of forensic nurse examiner programs to facilitate
24 training for improved evidence collection for the prosecution of
25 sexual assault. The funds shall be used for program coordination



1 and training.

2 **OFFICE OF SERVICES TO THE AGING**

3 Sec. 1403. (1) By February 1 of the current fiscal year, the
4 office of services to the aging shall require each region to report
5 to the office of services to the aging and to the legislature home-
6 delivered meals waiting lists based upon standard criteria.

7 Determining criteria shall include all of the following:

8 (a) The recipient's degree of frailty.

9 (b) The recipient's inability to prepare his or her own meals
10 safely.

11 (c) Whether the recipient has another care provider available.

12 (d) Any other qualifications normally necessary for the
13 recipient to receive home-delivered meals.

14 (2) Data required in subsection (1) shall be recorded only for
15 individuals who have applied for participation in the home-
16 delivered meals program and who are initially determined as likely
17 to be eligible for home-delivered meals.

18 Sec. 1417. The department shall provide to the senate and
19 house appropriations subcommittees on community health, senate and
20 house fiscal agencies, and state budget director a report by March
21 30 of the current fiscal year that contains all of the following:

22 (a) The total allocation of state resources made to each area
23 agency on aging by individual program and administration.

24 (b) Detail expenditure by each area agency on aging by
25 individual program and administration including both state-funded
26 resources and locally funded resources.



1 Sec. 1421. From the funds appropriated in part 1 for community
2 services, \$1,100,000.00 shall be allocated to area agencies on
3 aging for locally determined needs.

4 **MEDICAL SERVICES ADMINISTRATION**

5 Sec. 1501. The unexpended funds appropriated in part 1 for the
6 electronic health records incentive program are considered work
7 project appropriations, and any unencumbered or unallotted funds
8 are carried forward into the following fiscal year. The following
9 is in compliance with section 451a(1) of the management and budget
10 act, 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project to be carried forward is to
12 implement the Medicaid electronic health record program that
13 provides financial incentive payments to Medicaid health care
14 providers to encourage the adoption and meaningful use of
15 electronic health records to improve quality, increase efficiency,
16 and promote safety.

17 (b) The projects will be accomplished according to the
18 approved federal advanced planning document.

19 (c) The estimated cost of this project phase is identified in
20 the appropriation line item.

21 (d) The tentative completion date for the work project is
22 September 30, 2019.

23 Sec. 1503. For the funds appropriated in part 1 for Healthy
24 Michigan plan administration, the department shall establish an
25 accounting structure within the Michigan administrative information
26 network that will allow expenditures associated with the



1 administration of the Healthy Michigan plan to be identified. By
2 October 1, 2014, the department shall provide the state budget
3 office and the house and senate fiscal agencies with the relevant
4 accounting structure and associated business objects script and
5 report that groups administrative costs.

6 **MEDICAL SERVICES**

7 Sec. 1601. The cost of remedial services incurred by residents
8 of licensed adult foster care homes and licensed homes for the aged
9 shall be used in determining financial eligibility for the
10 medically needy. Remedial services include basic self-care and
11 rehabilitation training for a resident.

12 Sec. 1603. (1) The department may establish a program for
13 individuals to purchase medical coverage at a rate determined by
14 the department.

15 (2) The department may receive and expend premiums for the
16 buy-in of medical coverage in addition to the amounts appropriated
17 in part 1.

18 (3) The premiums described in this section shall be classified
19 as private funds.

20 Sec. 1605. The protected income level for Medicaid coverage
21 determined pursuant to section 106(1)(b)(iii) of the social welfare
22 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
23 assistance standard.

24 Sec. 1606. For the purpose of guardian and conservator
25 charges, the department may deduct up to \$60.00 per month as an
26 allowable expense against a recipient's income when determining



1 medical services eligibility and patient pay amounts.

2 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
3 condition is pregnancy, shall immediately be presumed to be
4 eligible for Medicaid coverage unless the preponderance of evidence
5 in her application indicates otherwise. The applicant who is
6 qualified as described in this subsection shall be allowed to
7 select or remain with the Medicaid participating obstetrician of
8 her choice.

9 (2) An applicant qualified as described in subsection (1)
10 shall be given a letter of authorization to receive Medicaid
11 covered services related to her pregnancy. All qualifying
12 applicants shall be entitled to receive all medically necessary
13 obstetrical and prenatal care without preauthorization from a
14 health plan. All claims submitted for payment for obstetrical and
15 prenatal care shall be paid at the Medicaid fee-for-service rate in
16 the event a contract does not exist between the Medicaid
17 participating obstetrical or prenatal care provider and the managed
18 care plan. The applicant shall receive a listing of Medicaid
19 physicians and managed care plans in the immediate vicinity of the
20 applicant's residence.

21 (3) In the event that an applicant, presumed to be eligible
22 pursuant to subsection (1), is subsequently found to be ineligible,
23 a Medicaid physician or managed care plan that has been providing
24 pregnancy services to an applicant under this section is entitled
25 to reimbursement for those services until such time as they are
26 notified by the department that the applicant was found to be
27 ineligible for Medicaid.



1 (4) If the preponderance of evidence in an application
2 indicates that the applicant is not eligible for Medicaid, the
3 department shall refer that applicant to the nearest public health
4 clinic or similar entity as a potential source for receiving
5 pregnancy-related services.

6 (5) The department shall develop an enrollment process for
7 pregnant women covered under this section that facilitates the
8 selection of a managed care plan at the time of application.

9 (6) The department shall mandate enrollment of women, whose
10 qualifying condition is pregnancy, into Medicaid managed care
11 plans.

12 (7) The department shall encourage physicians to provide
13 women, whose qualifying condition for Medicaid is pregnancy, with a
14 referral to a Medicaid participating dentist at the first
15 pregnancy-related appointment.

16 Sec. 1611. (1) For care provided to medical services
17 recipients with other third-party sources of payment, medical
18 services reimbursement shall not exceed, in combination with such
19 other resources, including Medicare, those amounts established for
20 medical services-only patients. The medical services payment rate
21 shall be accepted as payment in full. Other than an approved
22 medical services co-payment, no portion of a provider's charge
23 shall be billed to the recipient or any person acting on behalf of
24 the recipient. Nothing in this section shall be considered to
25 affect the level of payment from a third-party source other than
26 the medical services program. The department shall require a
27 nonenrolled provider to accept medical services payments as payment



1 in full.

2 (2) Notwithstanding subsection (1), medical services
3 reimbursement for hospital services provided to dual
4 Medicare/medical services recipients with Medicare part B coverage
5 only shall equal, when combined with payments for Medicare and
6 other third-party resources, if any, those amounts established for
7 medical services-only patients, including capital payments.

8 Sec. 1620. (1) For fee-for-service recipients who do not
9 reside in nursing homes, the pharmaceutical dispensing fee shall be
10 \$2.75 or the pharmacy's usual or customary cash charge, whichever
11 is less. For nursing home residents, the pharmaceutical dispensing
12 fee shall be \$3.00 or the pharmacy's usual or customary cash
13 charge, whichever is less.

14 (2) The department shall require a prescription co-payment for
15 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
16 brand-name drug, except as prohibited by federal or state law or
17 regulation.

18 Sec. 1629. The department shall utilize maximum allowable cost
19 pricing for generic drugs that is based on wholesaler pricing to
20 providers that is available from at least 2 wholesalers who deliver
21 in the state of Michigan.

22 Sec. 1631. (1) The department shall require co-payments on
23 dental, podiatric, and vision services provided to Medicaid
24 recipients, except as prohibited by federal or state law or
25 regulation.

26 (2) Except as otherwise prohibited by federal or state law or
27 regulations, the department shall require Medicaid recipients to



1 pay the following co-payments:

2 (a) Two dollars for a physician office visit.

3 (b) Three dollars for a hospital emergency room visit.

4 (c) Fifty dollars for the first day of an inpatient hospital
5 stay.

6 (d) One dollar for an outpatient hospital visit.

7 Sec. 1641. An institutional provider that is required to
8 submit a cost report under the medical services program shall
9 submit cost reports completed in full within 5 months after the end
10 of its fiscal year.

11 Sec. 1657. (1) Reimbursement for medical services to screen
12 and stabilize a Medicaid recipient, including stabilization of a
13 psychiatric crisis, in a hospital emergency room shall not be made
14 contingent on obtaining prior authorization from the recipient's
15 HMO. If the recipient is discharged from the emergency room, the
16 hospital shall notify the recipient's HMO within 24 hours of the
17 diagnosis and treatment received.

18 (2) If the treating hospital determines that the recipient
19 will require further medical service or hospitalization beyond the
20 point of stabilization, that hospital shall receive authorization
21 from the recipient's HMO prior to admitting the recipient.

22 (3) Subsections (1) and (2) do not require an alteration to an
23 existing agreement between an HMO and its contracting hospitals and
24 do not require an HMO to reimburse for services that are not
25 considered to be medically necessary.

26 Sec. 1659. The following sections of this part are the only
27 ones that shall apply to the following Medicaid managed care



1 programs, including the comprehensive plan, MIChoice long-term care
2 plan, and the mental health, substance use disorder, and
3 developmentally disabled services program: 401, 402, 404, 411, 418,
4 424, 428, 494, 496, 605, 1607, 1657, 1662, 1699, 1764, 1775, 1850,
5 1858, and 1881.

6 Sec. 1662. (1) The department shall assure that an external
7 quality review of each contracting HMO is performed that results in
8 an analysis and evaluation of aggregated information on quality,
9 timeliness, and access to health care services that the HMO or its
10 contractors furnish to Medicaid beneficiaries.

11 (2) The department shall require Medicaid HMOs to provide
12 EPSDT utilization data through the encounter data system, and HEDIS
13 well child health measures in accordance with the national
14 committee for quality assurance prescribed methodology.

15 (3) The department shall provide a copy of the analysis of the
16 Medicaid HMO annual audited HEDIS reports and the annual external
17 quality review report to the senate and house of representatives
18 appropriations subcommittees on community health, the senate and
19 house fiscal agencies, and the state budget director, within 30
20 days of the department's receipt of the final reports from the
21 contractors.

22 Sec. 1670. (1) The appropriation in part 1 for the MIChild
23 program is to be used to provide comprehensive health care to all
24 children under age 19 who reside in families with income at or
25 below 212% of the federal poverty level, who are uninsured and have
26 not had coverage by other comprehensive health insurance within 6
27 months of making application for MIChild benefits, and who are



1 residents of this state. The department shall develop detailed
2 eligibility criteria through the medical services administration
3 public concurrence process, consistent with the provisions of this
4 part and part 1. Health coverage for children in families between
5 160% and 212% of the federal poverty level shall be provided
6 through a state-based private health care program.

7 (2) The department may provide up to 1 year of continuous
8 eligibility to children eligible for the MIChild program unless the
9 family fails to pay the monthly premium, a child reaches age 19, or
10 the status of the children's family changes and its members no
11 longer meet the eligibility criteria as specified in the federally
12 approved MIChild state plan.

13 (3) Children whose category of eligibility changes between the
14 Medicaid and MIChild programs shall be assured of keeping their
15 current health care providers through the current prescribed course
16 of treatment for up to 1 year, subject to periodic reviews by the
17 department if the beneficiary has a serious medical condition and
18 is undergoing active treatment for that condition.

19 (4) To be eligible for the MIChild program, a child must be
20 residing in a family with an adjusted gross income of less than or
21 equal to 212% of the federal poverty level. The department's
22 verification policy shall be used to determine eligibility.

23 (5) The department shall contract with Medicaid health plans
24 to provide physical health services to MIChild enrollees. The
25 department may continue to obtain physical health services for
26 MIChild enrollees from health maintenance organizations and
27 preferred provider organizations currently under contract for



1 whatever duration is needed as determined by the department. The
2 department shall contractually require that health plans pay out-
3 of-network providers at the department fee schedule. The department
4 shall contract with qualified dental plans to provide dental
5 coverage for MIChild enrollees.

6 (6) The department may enter into contracts to obtain certain
7 MIChild services from community mental health service programs.

8 (7) The department may make payments on behalf of children
9 enrolled in the MIChild program from the line-item appropriation
10 associated with the program as described in the MIChild state plan
11 approved by the United States department of health and human
12 services, or from other medical services.

13 (8) The department shall assure that an external quality
14 review of each MIChild contractor, as described in subsection (5),
15 is performed, which analyzes and evaluates the aggregated
16 information on quality, timeliness, and access to health care
17 services that the contractor furnished to MIChild beneficiaries.

18 (9) The department shall develop an automatic enrollment
19 algorithm that is based on quality and performance factors.

20 (10) MIChild services shall include treatment for autism
21 spectrum disorders as defined in the federally approved Medicaid
22 state plan.

23 Sec. 1673. The department may establish premiums for MIChild
24 eligible individuals in families with income above 150% of the
25 federal poverty level. The monthly premiums shall not be less than
26 \$10.00 or exceed \$15.00 for a family.

27 Sec. 1677. The MIChild program shall provide all benefits



1 available under the Michigan benchmark plan that are delivered
2 through contracted providers and consistent with federal law,
3 including, but not limited to, the following medically necessary
4 services:

5 (a) Inpatient mental health services, other than substance use
6 disorder treatment services, including services furnished in a
7 state-operated mental hospital and residential or other 24-hour
8 therapeutically planned structured services.

9 (b) Outpatient mental health services, other than substance
10 use disorder services, including services furnished in a state-
11 operated mental hospital and community-based services.

12 (c) Durable medical equipment and prosthetic and orthotic
13 devices.

14 (d) Dental services as outlined in the approved MICHild state
15 plan.

16 (e) Substance use disorder treatment services that may include
17 inpatient, outpatient, and residential substance use disorder
18 treatment services.

19 (f) Care management services for mental health diagnoses.

20 (g) Physical therapy, occupational therapy, and services for
21 individuals with speech, hearing, and language disorders.

22 (h) Emergency ambulance services.

23 Sec. 1682. (1) The department shall implement enforcement
24 actions as specified in the nursing facility enforcement provisions
25 of section 1919 of title XIX, 42 USC 1396r.

26 (2) In addition to the appropriations in part 1, the
27 department is authorized to receive and spend penalty money



1 received as the result of noncompliance with medical services
2 certification regulations. Penalty money, characterized as private
3 funds, received by the department shall increase authorizations and
4 allotments in the long-term care accounts.

5 (3) Any unexpended penalty money, at the end of the year,
6 shall carry forward to the following year.

7 Sec. 1692. (1) The department is authorized to pursue
8 reimbursement for eligible services provided in Michigan schools
9 from the federal Medicaid program. The department and the state
10 budget director are authorized to negotiate and enter into
11 agreements, together with the department of education, with local
12 and intermediate school districts regarding the sharing of federal
13 Medicaid services funds received for these services. The department
14 is authorized to receive and disburse funds to participating school
15 districts pursuant to such agreements and state and federal law.

16 (2) From the funds appropriated in part 1 for medical services
17 school-based services payments, the department is authorized to do
18 all of the following:

19 (a) Finance activities within the medical services
20 administration related to this project.

21 (b) Reimburse participating school districts pursuant to the
22 fund-sharing ratios negotiated in the state-local agreements
23 authorized in subsection (1).

24 (c) Offset general fund costs associated with the medical
25 services program.

26 Sec. 1693. The special Medicaid reimbursement appropriation in
27 part 1 may be increased if the department submits a medical



1 services state plan amendment pertaining to this line item at a
2 level higher than the appropriation. The department is authorized
3 to appropriately adjust financing sources in accordance with the
4 increased appropriation.

5 Sec. 1694. From the funds appropriated in part 1 for special
6 Medicaid reimbursement, \$378,000.00 of general fund/general purpose
7 revenue and any associated federal match shall be distributed for
8 poison control services to an academic health care system that
9 includes a children's hospital that has a high indigent care
10 volume.

11 Sec. 1699. (1) The department may make separate payments in
12 the amount of \$45,000,000.00 directly to qualifying hospitals
13 serving a disproportionate share of indigent patients and to
14 hospitals providing GME training programs. If direct payment for
15 GME and DSH is made to qualifying hospitals for services to
16 Medicaid clients, hospitals shall not include GME costs or DSH
17 payments in their contracts with HMOs.

18 (2) The department shall allocate \$45,000,000.00 in DSH
19 funding using the distribution methodology used in fiscal year
20 2003-2004.

21 (3) By September 30 of the current fiscal year, the department
22 shall report to the senate and house appropriations subcommittees
23 on community health and the senate and house fiscal agencies on the
24 new distribution of funding to each eligible hospital from the GME
25 and DSH pools.

26 Sec. 1724. The department shall allow licensed pharmacies to
27 purchase injectable drugs for the treatment of respiratory



1 syncytial virus for shipment to physicians' offices to be
2 administered to specific patients. If the affected patients are
3 Medicaid eligible, the department shall reimburse pharmacies for
4 the dispensing of the injectable drugs and reimburse physicians for
5 the administration of the injectable drugs.

6 Sec. 1764. The department shall annually certify rates paid to
7 Medicaid health plans and specialty prepaid inpatient health plans
8 as being actuarially sound in accordance with federal requirements
9 and shall provide a copy of the rate certification and approval
10 immediately to the house and senate appropriations subcommittees on
11 community health and the house and senate fiscal agencies. The
12 department shall consider, in the case of Medicaid policy bulletins
13 affecting Medicaid health plans issued after the federal approval
14 of rates, including an economic analysis of the impact of the
15 approved rates on the Medicaid health plans.

16 Sec. 1775. If the state's application for a waiver to
17 implement managed care for dual Medicare/Medicaid eligibles is
18 approved by the federal government, the department shall provide
19 quarterly reports to the senate and house appropriations
20 subcommittees on community health and the senate and house fiscal
21 agencies on progress in implementing the waiver.

22 Sec. 1804. The department, in cooperation with the department
23 of human services and the department of military and veterans
24 affairs, shall work with the federal public assistance reporting
25 information system to identify Medicaid recipients who are veterans
26 and who may be eligible for federal veterans health care benefits
27 or other benefits.



1 Sec. 1850. The department may allow Medicaid health plans to
2 assist with the redetermination process through outreach activities
3 to ensure continuation of Medicaid eligibility and enrollment in
4 managed care. This may include mailings, telephone contact, or
5 face-to-face contact with beneficiaries enrolled in the individual
6 Medicaid health plan. Health plans may offer assistance in
7 completing paperwork for beneficiaries enrolled in their plan.

8 Sec. 1858. Medicaid services shall include treatment for
9 autism spectrum disorders as defined in the federally approved
10 Medicaid state plan. Such alternatives may be coordinated with the
11 Medicaid health plans and the Michigan association of health plans.

12 Sec. 1861. (1) The department shall conduct a review of the
13 efficiency and effectiveness of the current nonemergency
14 transportation system funded in part 1. For nonemergency
15 transportation services provided outside the current broker
16 coverage, the review is contingent on available detailed travel
17 data including methods of travel, number of people served, travel
18 distances, number of trips, and costs of trips. The department
19 shall report the results of the review required under this
20 subsection to the house and senate appropriations subcommittees on
21 community health and the house and senate fiscal agencies no later
22 than September 30 of the current fiscal year.

23 (2) The department shall create a pilot nonemergency
24 transportation system in at least 2 counties with priority given to
25 Berrien and Muskegon counties to provide nonemergency
26 transportation services encouraging use of nonprofit entities. The
27 transportation providers selected by the department are responsible



1 for ensuring that federal and state safety and training standards
2 are met.

3 Sec. 1862. From the funds appropriated in part 1, the
4 department shall continue the rate increase for Medicaid
5 obstetrical services at not less than what was in effect on October
6 1, 2012.

7 Sec. 1865. Upon federal approval of the department's proposal
8 for integrated care for individuals who are dual Medicare/Medicaid
9 eligibles, the department shall provide the senate and house
10 appropriations subcommittees on community health and the senate and
11 house fiscal agencies its plan and organizational chart for
12 administering and providing oversight of this proposal. The plan
13 shall include information on how the department intends to organize
14 staff in an integrated manner to ensure that key components of the
15 proposal are implemented effectively.

16 Sec. 1866. (1) From the funds appropriated in part 1 for
17 hospital services and therapy, \$12,277,900.00 in state restricted
18 hospital quality assurance assessment program revenue and any
19 associated federal match shall be awarded to hospitals that meet
20 criteria established by the department for services to low-income
21 rural residents. One of the reimbursement components of the
22 distribution formula shall be assistance with labor and delivery
23 services.

24 (2) No hospital or hospital system shall receive more than
25 5.0% of the total funding referenced in subsection (1).

26 (3) To allow hospitals to understand their rural payment
27 amounts under this section, the department shall provide hospitals



1 with the methodology for distribution under this section and
2 provide each hospital with its applicable data that are used to
3 determine the payment amounts by August 1 of the current fiscal
4 year. The department shall publish the distribution of payments for
5 the current fiscal year and the immediately preceding fiscal year.

6 (4) The department shall report to the senate and house
7 appropriations subcommittees on community health and the senate and
8 house fiscal agencies on the distribution of funds referenced in
9 subsection (1) by April 1 of the current fiscal year.

10 Sec. 1873. The department shall report on the findings of the
11 workgroup established to discuss new ways to distribute hospital
12 funding through the Michigan access to care initiative, the
13 hospital rate adjustor payments, and the quality assurance
14 assessment program. The department shall report to the senate and
15 house subcommittees on community health on the findings of the
16 workgroup by April 1 of the current fiscal year.

17 Sec. 1874. The department may explore ways to work with
18 private providers to develop fraud management solutions to reduce
19 fraud, waste, and abuse in this state's Medicaid program.

20 Sec. 1878. In any project negotiated with the federal
21 government for integrated health care of individuals dually
22 enrolled in Medicaid and Medicare, the department shall seek to
23 assure the existence of an ombudsman program that is not associated
24 with any project service manager or provider. For activities to be
25 undertaken by the ombudsman program, the department shall include,
26 but is not limited to, assisting beneficiaries with navigating
27 complaint and dispute resolution mechanisms, identifying problems



1 in the project's complaint and dispute resolution mechanisms, and
2 reporting to the executive and legislative branches on any such
3 problems and potential solutions for them.

4 Sec. 1881. The department shall create a default eligibility
5 and enrollment determination for newborns so that newborns are
6 assigned to the same Medicaid health plan as the mother at the time
7 of birth.

8 Sec. 1883. For the purposes of more effectively managing
9 inpatient care for Medicaid health plans and Medicaid fee-for-
10 service, the department shall consider developing an appropriate
11 policy and rate for observation stays.

12 Sec. 1886. The department shall work in conjunction with the
13 workgroup established by the department of human services to
14 determine how the state can maximize Medicaid claims for community-
15 based and outpatient treatment services to foster care children and
16 adjudicated youths who are placed in community-based treatment
17 programs. The department shall report to the senate and house
18 appropriations subcommittees on community health, the senate and
19 house fiscal agencies, the senate and house policy offices, and the
20 state budget office by March 1 of the current fiscal year on the
21 findings of the workgroup.

22 **ONE-TIME BASIS ONLY APPROPRIATIONS**

23 Sec. 1902. From the funds appropriated in part 1 for
24 university autism programs, the department shall make the following
25 allocations:

26 (a) \$500,000.00 to the Eastern Michigan University autism



1 center.

2 (b) \$500,000.00 to the Western Michigan University autism
3 center of excellence.

4 (c) \$500,000.00 to Michigan State University.

5 Sec. 1903. (1) Funds appropriated in part 1, section 121, one-
6 time basis only appropriations, for hospital services and therapy -
7 graduate medical education shall only be expended if both of the
8 following conditions are met:

9 (a) A distribution formula is developed by the Michigan health
10 and hospital association and the Michigan association of medical
11 education, in coordination with the department, for all graduate
12 medical education funds appropriated in section 119, medical
13 services, for implementation in fiscal year 2015-2016.

14 (b) The formula is presented to the director by February 1,
15 2015, and the director approves the distribution formula.

16 (2) Until such time that the director approves the
17 distribution formula under subsection (1)(b), graduate medical
18 education funds appropriated in section 119, medical services,
19 shall be disbursed according to the formula in place in fiscal year
20 2013-2014.

21 (3) It is the intent of the legislature that the formula
22 agreed to by the director be implemented for fiscal year 2015-2016.

23 PART 2A

24 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

25 FOR FISCAL YEAR 2015-2016



1 **GENERAL SECTIONS**

2 Sec. 2001. It is the intent of the legislature to provide
3 appropriations for the fiscal year ending on September 30, 2016 for
4 the line items listed in part 1. The fiscal year 2015-2016
5 appropriations are anticipated to be the same as those for fiscal
6 year 2014-2015, except that the line items will be adjusted for
7 changes in caseload and related costs, federal fund match rates,
8 economic factors, and available revenue. These adjustments will be
9 determined after the January 2015 consensus revenue estimating
10 conference.

