

**SUBSTITUTE FOR  
HOUSE BILL NO. 4238**

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1  
2  
3  
4  
5  
6  
7  
8  
9

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2018, from the following funds:

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

APPROPRIATION SUMMARY

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	15,466.0



1	Average population.....	770.0	
2	GROSS APPROPRIATION .....		\$ 25,169,447,000
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers.....		13,640,900
6	ADJUSTED GROSS APPROPRIATION .....		\$ 25,155,806,100
7	Federal revenues:		
8	Social security act, temporary assistance for needy		
9	families.....		532,006,900
10	Capped federal revenues .....		588,839,600
11	Total other federal revenues .....		16,984,168,600
12	Special revenue funds:		
13	Total local revenues .....		117,033,600
14	Total private revenues .....		149,873,300
15	Michigan merit award trust fund .....		49,068,700
16	Total other state restricted revenues .....		2,393,101,100
17	State general fund/general purpose .....		\$ 4,341,714,300
18	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>		
19	Full-time equated unclassified positions .....	6.0	
20	Full-time equated classified positions .....	749.1	
21	Unclassified salaries--6.0 FTE positions .....		\$ 1,153,000
22	Administrative hearings officers .....		11,219,700
23	Demonstration projects--7.0 FTE positions .....		7,355,100
24	Departmental administration and management--555.1 FTE		
25	positions.....		94,751,100
26	Developmental disabilities council and projects--10.0		
27	FTE positions.....		3,073,700



1	Office of inspector general--177.0 FTE positions .....	21,892,200
2	Property management .....	64,339,500
3	Terminal leave payments .....	5,686,100
4	Worker's compensation .....	<u>7,502,800</u>
5	GROSS APPROPRIATION .....	\$ 216,973,200
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of education .....	1,919,500
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families.....	22,973,500
12	Capped federal revenues .....	20,349,200
13	Total other federal revenues .....	74,254,900
14	Special revenue funds:	
15	Total local revenues .....	16,400
16	Total private revenues .....	3,843,200
17	Total other state restricted revenues .....	841,400
18	State general fund/general purpose .....	\$ 92,775,100
19	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
20	Full-time equated classified positions.....	185.7
21	Child support enforcement operations--179.7 FTE	
22	positions.....	\$ 22,312,200
23	Child support incentive payments .....	24,409,600
24	Legal support contracts .....	113,607,100
25	State disbursement unit--6.0 FTE positions .....	<u>8,112,800</u>
26	GROSS APPROPRIATION .....	\$ 168,441,700
27	Appropriated from:	



1	Federal revenues:	
2	Capped federal revenues .....	1,735,000
3	Total other federal revenues .....	142,644,500
4	State general fund/general purpose .....	\$ 24,062,200
5	<b>Sec. 104. COMMUNITY SERVICES AND OUTREACH</b>	
6	Full-time equated classified positions .....	74.6
7	Bureau of community services and outreach--20.0 FTE	
8	positions.....	\$ 2,529,300
9	Child advocacy centers--0.5 FTE position .....	1,500,000
10	Community services and outreach administration--11.0	
11	FTE positions.....	1,465,000
12	Community services block grant .....	25,840,000
13	Crime victim grants administration services--13.0 FTE	
14	positions.....	2,177,100
15	Crime victim justice assistance grants .....	59,279,300
16	Crime victim rights services grants .....	16,870,000
17	Domestic violence prevention and treatment--14.6 FTE	
18	positions.....	15,817,200
19	Homeless programs .....	19,466,700
20	Housing and support services .....	13,031,000
21	Michigan community service commission--15.0 FTE	
22	positions.....	11,628,700
23	Rape prevention and services--0.5 FTE position .....	5,097,300
24	School success partnership program .....	525,000
25	Weatherization assistance .....	<u>16,340,000</u>
26	GROSS APPROPRIATION .....	\$ 191,566,600
27	Appropriated from:	



1	Federal revenues:	
2	Social security act, temporary assistance for needy	
3	families.....	13,188,400
4	Capped federal revenues .....	66,676,300
5	Total other federal revenues .....	75,829,400
6	Special revenue funds:	
7	Private - collections .....	44,100
8	Compulsive gambling prevention fund .....	1,040,500
9	Sexual assault victims' prevention and treatment fund	3,000,000
10	Child advocacy centers fund .....	1,500,000
11	Crime victim's rights fund .....	15,337,000
12	State general fund/general purpose .....	\$ 14,950,900
13	<b>Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD</b>	
14	<b>WELFARE</b>	
15	Full-time equated classified positions .....	3,844.2
16	Adoption subsidies .....	\$ 212,142,600
17	Adoption support services--10.0 FTE positions .....	27,283,500
18	Attorney general contract .....	4,366,500
19	Child abuse and neglect - children's justice act--1.0	
20	FTE position.....	622,600
21	Child care fund.....	177,440,100
22	Child protection .....	800,300
23	Child welfare administration travel .....	375,000
24	Child welfare field staff - caseload compliance--	
25	2,461.0 FTE positions .....	229,613,400
26	Child welfare field staff - noncaseload compliance--	
27	330.0 FTE positions.....	34,559,000



1	Child welfare first line supervisors--578.0 FTE	
2	positions.....	72,890,500
3	Child welfare institute--45.0 FTE positions .....	8,203,600
4	Child welfare licensing--59.0 FTE positions .....	6,914,000
5	Child welfare medical/psychiatric evaluations .....	10,435,500
6	Children's services administration--172.2 FTE	
7	positions.....	20,075,100
8	Children's trust fund--12.0 FTE positions .....	3,327,700
9	Contractual services, supplies, and materials .....	9,300,000
10	Education planners--15.0 FTE positions .....	1,530,100
11	Family preservation and prevention services	
12	administration--9.0 FTE positions .....	1,299,300
13	Family preservation programs--13.0 FTE positions .....	38,877,000
14	Family support subsidy .....	16,951,400
15	Foster care payments .....	192,269,300
16	Guardianship assistance program .....	12,004,800
17	Interstate compact .....	179,600
18	Peer coaches--45.5 FTE positions .....	5,737,300
19	Performance-based funding implementation--3.0 FTE	
20	positions.....	1,444,800
21	Permanency resource managers--28.0 FTE positions .....	3,197,900
22	Prosecuting attorney contracts .....	3,879,500
23	Psychotropic oversight .....	618,200
24	Second line supervisors and technical staff--54.0 FTE	
25	positions.....	8,912,000
26	Settlement monitor .....	1,885,800
27	Strong families/safe children .....	12,350,100



1	Title IV-E compliance and accountability office--4.0	
2	FTE positions.....	424,700
3	Youth in transition--4.5 FTE positions .....	<u>14,276,300</u>
4	GROSS APPROPRIATION .....	\$ 1,134,187,500
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of education .....	90,200
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families.....	348,647,400
11	Capped federal revenues .....	112,538,600
12	Total other federal revenues .....	244,113,100
13	Special revenue funds:	
14	Private - collections .....	2,927,400
15	Local funds - county chargeback .....	14,658,300
16	Children's trust fund.....	2,091,900
17	State general fund/general purpose .....	\$ 409,120,600
18	<b>Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE</b>	
19	<b>JUSTICE</b>	
20	Full-time equated classified positions..... 120.5	
21	Bay Pines Center--47.0 FTE positions .....	\$ 5,468,900
22	Committee on juvenile justice administration--2.5 FTE	
23	positions.....	351,400
24	Committee on juvenile justice grants .....	3,000,000
25	Community support services--3.0 FTE positions .....	2,116,600
26	County juvenile officers .....	3,904,300
27	Juvenile justice, administration and maintenance--21.0	



1	FTE positions.....	3,739,300
2	Shawono Center--47.0 FTE positions .....	5,565,400
3	W.J. Maxey Training School .....	<u>250,000</u>
4	GROSS APPROPRIATION .....	\$ 24,395,900
5	Appropriated from:	
6	Federal revenues:	
7	Capped federal revenues .....	8,330,600
8	Special revenue funds:	
9	Local funds - state share education funds .....	1,339,000
10	Local funds - county chargeback .....	5,037,000
11	State general fund/general purpose .....	\$ 9,689,300
12	<b>Sec. 107. PUBLIC ASSISTANCE</b>	
13	Full-time equated classified positions.....	8.0
14	Emergency services local office allocations .....	\$ 9,357,500
15	Family independence program .....	76,658,100
16	Food assistance program benefits .....	2,348,117,400
17	Food Bank Council of Michigan .....	2,045,000
18	Indigent burial .....	4,375,000
19	Low-income home energy assistance program .....	181,718,400
20	Michigan corner store initiative .....	100
21	Michigan energy assistance program--1.0 FTE position .	50,000,000
22	Multicultural integration funding .....	13,303,800
23	Refugee assistance program--7.0 FTE positions .....	27,993,400
24	State disability assistance payments .....	11,422,400
25	State supplementation .....	61,696,700
26	State supplementation administration .....	<u>2,381,100</u>
27	GROSS APPROPRIATION .....	\$ 2,789,068,900



1	Appropriated from:	
2	Federal revenues:	
3	Social security act, temporary assistance for needy	
4	families.....	51,086,200
5	Capped federal revenues .....	203,129,500
6	Total other federal revenues .....	2,342,627,400
7	Special revenue funds:	
8	Child support collections .....	10,979,000
9	Supplemental security income recoveries .....	5,057,600
10	Public assistance recoupment revenue .....	6,290,000
11	Low-income energy assistance fund .....	50,000,000
12	State general fund/general purpose .....	\$ 119,899,200
13	<b>Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES</b>	
14	Full-time equated classified positions .....	6,299.5
15	Administrative support workers--221.0 FTE positions ..	\$ 12,872,400
16	Adult services field staff--472.0 FTE positions .....	50,765,400
17	Contractual services, supplies, and materials .....	16,377,100
18	Donated funds positions--288.0 FTE positions .....	32,702,700
19	Elder Law of Michigan MiCAFE contract .....	350,000
20	Electronic benefit transfer (EBT) .....	8,509,000
21	Employment and training support services .....	4,219,100
22	Field policy and administration--66.0 FTE positions ..	11,103,600
23	Field staff travel .....	8,103,900
24	Independent living .....	4,531,600
25	Medical/psychiatric evaluations .....	1,420,100
26	Michigan rehabilitation services--526.0 FTE positions	128,750,800
27	Nutrition education--2.0 FTE positions .....	33,045,300



1	Public assistance field staff--4,704.5 FTE positions .	478,474,200
2	Training and program support--20.0 FTE positions .....	2,448,000
3	Volunteer services and reimbursement .....	<u>942,400</u>
4	GROSS APPROPRIATION .....	\$ 794,615,600
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of corrections .....	116,000
8	IDG from department of education .....	7,769,500
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families.....	67,495,500
12	Capped federal revenues .....	152,849,600
13	Federal supplemental security income .....	8,588,600
14	Total other federal revenues .....	257,233,000
15	Special revenue funds:	
16	Local funds - donated funds .....	5,783,500
17	Local vocational rehabilitation match .....	5,300,000
18	Private funds - donated funds .....	9,600,500
19	Private funds - gifts, bequests, and donations .....	531,500
20	Rehabilitation service fees .....	40,000
21	Second injury fund.....	38,300
22	State general fund/general purpose .....	\$ 279,269,600
23	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
24	Full-time equated classified positions.....	587.4
25	Disability determination operations--583.3 FTE	
26	positions.....	\$ 112,005,400
27	Retirement disability determination--4.1 FTE positions	<u>608,500</u>



1	GROSS APPROPRIATION .....	\$	112,613,900
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from DTMB - office of retirement services .....		785,600
5	Federal revenues:		
6	Total other federal revenues .....		108,362,800
7	State general fund/general purpose .....	\$	3,465,500
8	<b>Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>		
9	<b>AND SPECIAL PROJECTS</b>		
10	Full-time equated classified positions .....		97.0
11	Behavioral health program administration--77.0 FTE		
12	positions.....	\$	58,033,200
13	Federal and other special projects .....		2,535,600
14	Gambling addiction--1.0 FTE position .....		3,006,500
15	Office of recipient rights--19.0 FTE positions .....		2,721,900
16	Protection and advocacy services support .....		<u>194,400</u>
17	GROSS APPROPRIATION .....	\$	66,491,600
18	Appropriated from:		
19	Federal revenues:		
20	Total other federal revenues .....		34,685,000
21	Special revenue funds:		
22	Total private revenues .....		1,004,700
23	Total other state restricted revenues .....		3,006,500
24	State general fund/general purpose .....	\$	27,795,400
25	<b>Sec. 111. BEHAVIORAL HEALTH SERVICES</b>		
26	Full-time equated classified positions .....		9.5
27	Autism services .....	\$	100,097,300



1	Children with serious emotional disturbance waiver ...	10,000,000
2	Children's waiver home care program .....	20,241,100
3	Civil service charges .....	399,300
4	Community mental health non-Medicaid services .....	120,050,400
5	Community substance use disorder prevention,	
6	education, and treatment.....	77,075,000
7	Federal mental health block grant--2.5 FTE positions .	15,457,300
8	Health homes .....	3,369,000
9	Healthy Michigan plan - behavioral health .....	265,335,600
10	Medicaid mental health services .....	2,316,344,700
11	Medicaid substance use disorder services .....	50,369,600
12	Nursing home PAS/ARR-OBRA--7.0 FTE positions .....	12,274,100
13	State disability assistance program substance use	
14	disorder services.....	<u>2,018,800</u>
15	GROSS APPROPRIATION .....	\$ 2,993,032,200
16	Appropriated from:	
17	Federal revenues:	
18	Total other federal revenues .....	1,966,137,500
19	Special revenue funds:	
20	Total local revenues .....	25,475,800
21	Total other state restricted revenues .....	23,881,400
22	State general fund/general purpose .....	\$ 977,537,500
23	<b>Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>	
24	<b>MENTAL HEALTH SERVICES</b>	
25	Total average population.....	770.0
26	Full-time equated classified positions.....	2,256.9
27	Caro Regional Mental Health Center - psychiatric	



1	hospital - adult--467.8 FTE positions .....	\$	58,565,600
2	Average population.....		145.0
3	Center for forensic psychiatry--607.3 FTE positions ..		82,823,400
4	Average population.....		240.0
5	Gifts and bequests for patient living and treatment		
6	environment.....		1,000,000
7	Hawthorn Center - psychiatric hospital - children and		
8	adolescents--277.4 FTE positions .....		30,638,600
9	Average population.....		55.0
10	IDEA, federal special education .....		120,000
11	Kalamazoo Psychiatric Hospital - adult--474.1 FTE		
12	positions.....		67,273,500
13	Average population.....		170.0
14	Purchase of medical services for residents of		
15	hospitals and centers.....		445,600
16	Revenue recapture .....		750,000
17	Special maintenance .....		924,600
18	Walter P. Reuther Psychiatric Hospital - adult--430.3		
19	FTE positions.....		58,601,500
20	Average population.....		160.0
21	GROSS APPROPRIATION .....	\$	301,142,800
22	Appropriated from:		
23	Federal revenues:		
24	Total other federal revenues .....		36,784,000
25	Special revenue funds:		
26	Total local revenues .....		20,000,500
27	Total private revenues .....		1,000,000



1	Total other state restricted revenues .....	19,376,600
2	State general fund/general purpose .....	\$ 223,981,700
3	<b>Sec. 113. HEALTH POLICY</b>	
4	Full-time equated classified positions .....	42.9
5	Certificate of need program administration--12.3 FTE	
6	positions.....	\$ 2,825,300
7	Health policy administration--25.2 FTE positions .....	13,065,200
8	Human trafficking intervention services .....	200,000
9	Michigan essential health provider .....	3,591,300
10	Minority health grants and contracts .....	612,700
11	Nurse education and research program--3.0 FTE	
12	positions.....	784,400
13	Primary care services--1.4 FTE positions .....	5,068,700
14	Rural health services--1.0 FTE position .....	<u>1,555,500</u>
15	GROSS APPROPRIATION .....	\$ 27,703,100
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from the department of licensing and regulatory	
19	affairs.....	784,400
20	IDG from the department of treasury, Michigan state	
21	hospital finance authority.....	117,700
22	Federal revenues:	
23	Social security act, temporary assistance for needy	
24	families.....	30,400
25	Capped federal revenues .....	18,700
26	Total other federal revenues .....	16,851,200
27	Special revenue funds:	



1	Total private revenues .....	865,000
2	Total other state restricted revenues .....	2,709,400
3	State general fund/general purpose .....	\$ 6,326,300
4	<b>Sec. 114. LABORATORY SERVICES</b>	
5	Full-time equated classified positions .....	100.0
6	Laboratory services--100.0 FTE positions .....	\$ <u>20,812,100</u>
7	GROSS APPROPRIATION .....	\$ 20,812,100
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from the department of environmental quality .....	991,000
11	Federal revenues:	
12	Total other federal revenues .....	2,340,100
13	Special revenue funds:	
14	Total other state restricted revenues .....	10,633,400
15	State general fund/general purpose .....	\$ 6,847,600
16	<b>Sec. 115. DISEASE CONTROL, PREVENTION, AND</b>	
17	<b>EPIDEMIOLOGY</b>	
18	Full-time equated classified positions .....	114.9
19	Childhood lead program--4.5 FTE positions .....	\$ 2,048,300
20	Epidemiology administration--75.1 FTE positions .....	20,594,400
21	Healthy homes program--12.0 FTE positions .....	27,740,400
22	Immunization program--12.8 FTE positions .....	16,886,600
23	Newborn screening follow-up and treatment services--	
24	10.5 FTE positions .....	<u>7,427,500</u>
25	GROSS APPROPRIATION .....	\$ 74,697,200
26	Appropriated from:	
27	Federal revenues:	



1	Total other federal revenues .....	53,683,100
2	Special revenue funds:	
3	Total private revenues .....	339,900
4	Total other state restricted revenues .....	12,896,400
5	State general fund/general purpose .....	\$ 7,777,800
6	<b>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</b>	
7	Full-time equated classified positions.....	228.2
8	AIDS prevention, testing, and care programs--37.7 FTE	
9	positions.....	\$ 70,623,800
10	Cancer prevention and control program--13.0 FTE	
11	positions.....	15,064,100
12	Chronic disease control and health promotion	
13	administration--27.4 FTE positions .....	8,461,300
14	Dental programs--3.8 FTE positions .....	2,203,500
15	Diabetes and kidney program--8.0 FTE positions .....	3,051,600
16	Essential local public health services .....	40,886,100
17	Health and wellness initiatives--11.7 FTE positions ..	7,139,100
18	Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
19	Injury control intervention project .....	1,000,000
20	Local health services--1.3 FTE positions .....	1,955,100
21	Medicaid outreach cost reimbursement to local health	
22	departments.....	12,500,000
23	Public health administration--9.0 FTE positions .....	1,945,400
24	Sexually transmitted disease control program--20.0 FTE	
25	positions.....	6,295,000
26	Smoking prevention program--12.0 FTE positions .....	2,148,300
27	Violence prevention--2.9 FTE positions .....	3,124,100



1	Vital records and health statistics--81.4 FTE	
2	positions.....	<u>10,049,700</u>
3	GROSS APPROPRIATION .....	\$ 186,467,100
4	Appropriated from:	
5	Federal revenues:	
6	Capped federal revenues .....	81,100
7	Total other federal revenues .....	79,856,800
8	Special revenue funds:	
9	Total local revenues .....	5,150,000
10	Total private revenues .....	39,279,600
11	Total other state restricted revenues .....	18,672,700
12	State general fund/general purpose .....	\$ 43,426,900
13	<b>Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH</b>	
14	Full-time equated classified positions..... 112.3	
15	Family, maternal, and child health administration--	
16	53.3 FTE positions.....	\$ 9,103,600
17	Family planning local agreements .....	8,310,700
18	Local MCH services .....	7,018,100
19	Pregnancy prevention program .....	602,100
20	Prenatal care outreach and service delivery support--	
21	14.0 FTE positions.....	19,328,800
22	Special projects .....	6,289,100
23	Sudden and unexpected infant death and suffocation	
24	prevention program.....	321,300
25	Women, infants, and children program administration	
26	and special projects--45.0 FTE positions.....	18,045,000
27	Women, infants, and children program local agreements	



1	and food costs.....		<u>256,285,000</u>
2	GROSS APPROPRIATION .....	\$	325,303,700
3	Appropriated from:		
4	Federal revenues:		
5	Social security act, temporary assistance for needy		
6	families.....		400,000
7	Total other federal revenues .....		252,926,000
8	Special revenue funds:		
9	Total local revenues .....		75,000
10	Total private revenues .....		61,702,400
11	Total other state restricted revenues .....		595,900
12	State general fund/general purpose .....	\$	9,604,400
13	<b>Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND</b>		
14	<b>PREPAREDNESS</b>		
15	Full-time equated classified positions.....	76.0	
16	Bioterrorism preparedness--53.0 FTE positions .....		\$ 30,398,600
17	Emergency medical services program--23.0 FTE positions		<u>6,591,600</u>
18	GROSS APPROPRIATION .....	\$	36,990,200
19	Appropriated from:		
20	Federal revenues:		
21	Total other federal revenues .....		31,366,100
22	Special revenue funds:		
23	Total other state restricted revenues .....		4,020,500
24	State general fund/general purpose .....	\$	1,603,600
25	<b>Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
26	Full-time equated classified positions.....	46.8	
27	Bequests for care and services--2.8 FTE positions ....		\$ 1,535,300



1	Children's special health care services	
2	administration--44.0 FTE positions .....	6,028,300
3	Medical care and treatment .....	247,241,600
4	Nonemergency medical transportation .....	905,900
5	Outreach and advocacy .....	<u>5,510,000</u>
6	GROSS APPROPRIATION .....	\$ 261,221,100
7	Appropriated from:	
8	Federal revenues:	
9	Total other federal revenues .....	138,362,100
10	Special revenue funds:	
11	Total private revenues .....	1,013,700
12	Total other state restricted revenues .....	3,382,900
13	State general fund/general purpose .....	\$ 118,462,400
14	<b>Sec. 120. AGING AND ADULT SERVICES AGENCY</b>	
15	Full-time equated classified positions ..... 48.0	
16	Aging and adult services administration--48.0 FTE	
17	positions.....	\$ 9,394,700
18	Community services .....	42,514,000
19	Employment assistance .....	3,500,000
20	Nutrition services .....	41,494,000
21	Respite care program .....	6,468,700
22	Senior volunteer service programs .....	<u>4,465,300</u>
23	GROSS APPROPRIATION .....	\$ 107,836,700
24	Appropriated from:	
25	Federal revenues:	
26	Capped federal revenues .....	371,500
27	Total other federal revenues .....	59,627,100



1	Special revenue funds:	
2	Total private revenues .....	520,000
3	Michigan merit award trust fund .....	4,068,700
4	Total other state restricted revenues .....	2,000,000
5	State general fund/general purpose .....	\$ 41,249,400
6	<b>Sec. 121. MEDICAL SERVICES ADMINISTRATION</b>	
7	Full-time equated classified positions .....	460.0
8	Electronic health record incentive program--24.0 FTE	
9	positions.....	\$ 144,328,000
10	Healthy Michigan plan administration--30.0 FTE	
11	positions.....	47,720,000
12	Medical services administration--384.5 FTE positions .	82,310,400
13	Technology supporting integrated service--21.5 FTE	
14	positions.....	<u>29,014,400</u>
15	GROSS APPROPRIATION .....	\$ 303,372,800
16	Appropriated from:	
17	Federal revenues:	
18	Social security act, temporary assistance for needy	
19	families.....	749,600
20	Capped federal revenues .....	910,700
21	Total other federal revenues .....	254,031,900
22	Special revenue funds:	
23	Total local revenues .....	107,300
24	Total private revenues .....	101,300
25	Total other state restricted revenues .....	336,300
26	State general fund/general purpose .....	\$ 47,135,700
27	<b>Sec. 122. MEDICAL SERVICES</b>	



1	Adult home help services .....	\$	323,217,200
2	Ambulance services .....		18,376,100
3	Auxiliary medical services .....		5,500,000
4	Dental clinic program .....		1,000,000
5	Dental services .....		305,881,800
6	Federal Medicare pharmaceutical program .....		290,548,800
7	Health plan services .....		4,992,803,500
8	Healthy Michigan plan .....		3,745,414,000
9	Home health services .....		4,700,000
10	Hospice services .....		113,466,100
11	Hospital disproportionate share payments .....		40,500,000
12	Hospital services and therapy .....		789,175,400
13	Integrated care organizations .....		187,469,700
14	Long-term care services .....		1,779,991,400
15	Maternal and child health .....		20,279,500
16	Medicaid home- and community-based services waiver ...		328,662,200
17	Medicare premium payments .....		537,393,200
18	Personal care services .....		9,491,200
19	Pharmaceutical services .....		450,496,300
20	Physician services .....		262,552,900
21	Program of all-inclusive care for the elderly .....		106,289,100
22	School-based services .....		109,937,200
23	Special Medicaid reimbursement .....		308,796,100
24	Transportation .....		<u>22,073,500</u>
25	GROSS APPROPRIATION .....	\$	14,754,015,200
26	Appropriated from:		
27	Federal revenues:		



1	Total other federal revenues .....	10,690,472,300
2	Special revenue funds:	
3	Total local revenues .....	34,090,800
4	Total private revenues .....	2,100,000
5	Michigan merit award trust fund .....	45,000,000
6	Total other state restricted revenues .....	2,184,525,900
7	State general fund/general purpose .....	\$ 1,797,826,200
8	<b>Sec. 123. INFORMATION TECHNOLOGY</b>	
9	Child support automation .....	\$ 41,877,600
10	Information technology services and projects .....	158,851,200
11	Michigan Medicaid information system .....	<u>55,634,400</u>
12	GROSS APPROPRIATION .....	\$ 256,363,200
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG from department of education .....	1,067,000
16	Federal revenues:	
17	Social security act, temporary assistance for needy	
18	families.....	23,935,900
19	Capped federal revenues .....	21,848,800
20	Total other federal revenues .....	109,683,700
21	Special revenue funds:	
22	Total private revenues .....	25,000,000
23	Total other state restricted revenues .....	1,985,800
24	State general fund/general purpose .....	\$ 72,842,000
25	<b>Sec. 124. ONE-TIME BASIS ONLY APPROPRIATIONS</b>	
26	Full-time equated classified positions .....	4.5
27	Autism navigator .....	\$ 565,000



1	Child lead poisoning elimination board .....	500,000
2	Dental clinic program .....	1,000,000
3	Direct primary care pilot program .....	5,724,000
4	Drinking water declaration of emergency--4.5 FTE	
5	positions.....	13,361,700
6	Food Bank Council of Michigan .....	184,000
7	University autism programs .....	500,000
8	Primary care and dental health services .....	<u>300,000</u>
9	GROSS APPROPRIATION .....	\$ 22,134,700
10	Appropriated from:	
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families.....	3,500,000
14	Total other federal revenues .....	3,708,000
15	Special revenue funds:	
16	Total other state restricted revenues .....	8,861,700
17	State general fund/general purpose .....	\$ 6,065,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2017-2018

**GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state  
 23 constitution of 1963, total state spending from state resources  
 24 under part 1 for fiscal year 2017-2018 is \$6,783,884,100.00 and  
 25 state spending from state resources to be paid to local units of



1 government for fiscal year 2017-2018 is \$1,361,256,600.00. The  
 2 itemized statement below identifies appropriations from which  
 3 spending to local units of government will occur:

4 DEPARTMENT OF HEALTH AND HUMAN SERVICES

5 COMMUNITY SERVICES AND OUTREACH

6	Crime victim rights services grants .....	\$	7,216,000
7	Housing and support services .....		637,300

8 CHILDREN'S SERVICES AGENCY - CHILD WELFARE

9	Child care fund .....	\$	141,665,000
---	-----------------------	----	-------------

10 PUBLIC ASSISTANCE

11	Family independence program .....	\$	5,100
12	Multicultural integration funding .....		5,478,200
13	State disability assistance payments .....		742,600

14 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

15	Behavioral health program administration .....	\$	3,132,000
----	--	----	-----------

16 BEHAVIORAL HEALTH SERVICES

17	Autism services .....	\$	34,880,700
18	Children with serious emotional disturbance waiver ...		3,522,000
19	Children's waiver home care program .....		6,500,000
20	Community mental health non-Medicaid services .....		120,050,400
21	Community substance use disorder prevention,		
22	education, and treatment.....		14,553,400
23	Health homes .....		70,700
24	Healthy Michigan plan - behavioral health .....		15,257,000
25	Medicaid mental health services .....		781,860,700
26	Medicaid substance use disorder services .....		17,505,600
27	Nursing home PAS/ARR-OBRA .....		2,728,200



1	State disability assistance program substance use		
2	disorder services.....		2,018,800
3	HEALTH POLICY		
4	Primary care services.....	\$	87,300
5	LABORATORY SERVICES		
6	Laboratory services.....	\$	5,300
7	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
8	Childhood lead program.....	\$	314,800
9	Epidemiology administration.....		154,800
10	Immunization program.....		1,039,300
11	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
12	AIDS prevention, testing, and care programs.....	\$	1,809,300
13	Essential local public health services.....		35,736,100
14	Health and wellness initiatives.....		2,189,900
15	Public health administration.....		1,000
16	Sexually transmitted disease control program.....		701,300
17	FAMILY, MATERNAL, AND CHILD HEALTH		
18	Family, maternal, and child health administration....	\$	8,800
19	Prenatal care outreach and service delivery support ..		2,997,600
20	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
21	Medical care and treatment.....	\$	1,236,200
22	Outreach and advocacy.....		2,755,000
23	AGING AND ADULT SERVICES AGENCY		
24	Community services.....	\$	20,033,500
25	Nutrition services.....		11,837,000
26	Respite care program.....		6,468,700
27	Senior volunteer service programs.....		940,800



1	MEDICAL SERVICES	
2	Dental services .....	\$ 2,141,200
3	Hospital services and therapy .....	1,575,500
4	Long-term care services .....	102,419,500
5	Physician services .....	8,926,800
6	Transportation .....	<u>53,200</u>
7	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....	\$ 1,361,256,600

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

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

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

13       (b) "CMHSP" means a community mental health services program  
14 as that term is defined in section 100a of the mental health code,  
15 1974 PA 258, MCL 330.1100a.

16       (c) "Current fiscal year" means the fiscal year ending  
17 September 30, 2018.

18       (d) "Department" means the department of health and human  
19 services.

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

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

22       (g) "EPSDT" means early and periodic screening, diagnosis, and  
23 treatment.

24       (h) "Federal poverty level" means the poverty guidelines  
25 published annually in the Federal Register by the United States  
26 Department of Health and Human Services under its authority to  
27 revise the poverty line under 42 USC 9902.



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

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

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

6 (l) "HEDIS" means healthcare effectiveness data and  
7 information set.

8 (m) "HMO" means health maintenance organization.

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

11 (o) "IDG" means interdepartmental grant.

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

13 (q) "Medicaid" mean subchapter XIX of the social security act,  
14 42 USC 1396 to 1396w-5.

15 (r) "Medicare" means subchapter XVIII of the social security  
16 act, 42 USC 1395 to 1395III.

17 (s) "MiCAFE" means Michigan's coordinated access to food for  
18 the elderly.

19 (t) "MIChild" means the program described in section 1670.

20 (u) "MiSACWIS" means Michigan statewide automated child  
21 welfare information system.

22 (v) "PAS/ARR-OBRA" means the preadmission screening and annual  
23 resident review required under the omnibus budget reconciliation  
24 act of 1987, section 1919(e)(7) of the social security act, 42 USC  
25 1396r.

26 (w) "PIHP" means an entity designated by the department as a  
27 regional entity or a specialty prepaid inpatient health plan for



1 Medicaid mental health services, services to individuals with  
2 developmental disabilities, and substance use disorder services.  
3 Regional entities are described in section 204b of the mental  
4 health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid  
5 inpatient health plans are described in section 232b of the mental  
6 health code, 1974 PA 258, MCL 330.1232b.

7 (x) "Previous fiscal year" means the fiscal year ending  
8 September 30, 2017.

9 (y) "Settlement" means the settlement agreement entered in the  
10 case of Dwayne B. v Snyder, docket no. 2:06-cv-13548 in the United  
11 States District Court for the Eastern District of Michigan.

12 (z) "SNAP" means supplemental nutrition assistance program.

13 (aa) "Temporary assistance for needy families" or "TANF" or  
14 "title IV-A" means part A of subchapter IV of the social security  
15 act, 42 USC 601 to 619.

16 (bb) "Title IV-B" means part B of title IV of the social  
17 security act, 42 USC 620 to 629m.

18 (cc) "Title IV-D" means part D of title IV of the social  
19 security act, 42 USC 651 to 669b.

20 (dd) "Title IV-E" means part E of title IV of the social  
21 security act, 42 USC 670 to 679c.

22 (ee) "Title X" means subchapter VIII of the public health  
23 service act, 42 USC 300 to 300a-8, which establishes grants to  
24 states for family planning services.

25 (ff) "USDA" means United States Department of Agriculture.

26 Sec. 204. Unless otherwise specified, the departments and  
27 agencies receiving appropriations in part 1 shall use the internet



1 to fulfill the reporting requirements of this part and part 1. This  
2 requirement shall include transmission of reports via electronic  
3 mail to the recipients identified for each reporting requirement,  
4 and it shall include placement of reports on the internet.

5       Sec. 205. Funds appropriated in part 1 shall not be used for  
6 the purchase of foreign goods or services, or both, if  
7 competitively priced and of comparable quality American goods or  
8 services, or both, are available. Preference shall be given to  
9 goods or services, or both, manufactured or provided by Michigan  
10 businesses if they are competitively priced and of comparable  
11 quality. In addition, preference shall be given to goods or  
12 services, or both, that are manufactured or provided by Michigan  
13 businesses owned and operated by veterans if they are competitively  
14 priced and of comparable quality.

15       Sec. 206. The director shall take all reasonable steps to  
16 ensure businesses in deprived and depressed communities compete for  
17 and perform contracts to provide services or supplies, or both.  
18 Each director shall strongly encourage firms with which the  
19 department contracts to subcontract with certified businesses in  
20 depressed and deprived communities for services, supplies, or both.

21       Sec. 207. The departments and agencies receiving  
22 appropriations in part 1 shall prepare a report on out-of-state  
23 travel expenses not later than January 1 of each year. The travel  
24 report shall be a listing of all travel by classified and  
25 unclassified employees outside this state in the immediately  
26 preceding fiscal year that was funded in whole or in part with  
27 funds appropriated in the department's budget. The report shall be



1 submitted to the senate and house appropriations committees, the  
2 house and senate fiscal agencies, and the state budget director.  
3 The report shall include the following information:

4 (a) The dates of each travel occurrence.

5 (b) The transportation and related costs of each travel  
6 occurrence, including the proportion funded with state general  
7 fund/general purpose revenues, the proportion funded with state  
8 restricted revenues, the proportion funded with federal revenues,  
9 and the proportion funded with other revenues.

10 Sec. 208. Funds appropriated in part 1 shall not be used by a  
11 principal executive department, state agency, or authority to hire  
12 a person to provide legal services that are the responsibility of  
13 the attorney general. This prohibition does not apply to legal  
14 services for bonding activities and for those outside services that  
15 the attorney general authorizes.

16 Sec. 209. Not later than November 30, the state budget office  
17 shall prepare and transmit a report that provides for estimates of  
18 the total general fund/general purpose appropriation lapses at the  
19 close of the prior fiscal year. This report shall summarize the  
20 projected year-end general fund/general purpose appropriation  
21 lapses by major departmental program or program areas. The report  
22 shall be transmitted to the chairpersons of the senate and house  
23 appropriations committees, and the senate and house fiscal  
24 agencies.

25 Sec. 210. (1) In addition to the funds appropriated in part 1,  
26 there is appropriated an amount not to exceed \$400,000,000.00 for  
27 federal contingency funds. These funds are not available for



1 expenditure until they have been transferred to another line item  
2 in part 1 under section 393(2) of the management and budget act,  
3 1984 PA 431, MCL 18.1393. These funds shall not be made available  
4 to increase TANF authorization.

5 (2) In addition to the funds appropriated in part 1, there is  
6 appropriated an amount not to exceed \$45,000,000.00 for state  
7 restricted contingency funds. These funds are not available for  
8 expenditure until they have been transferred to another line item  
9 in part 1 under section 393(2) of the management and budget act,  
10 1984 PA 431, MCL 18.1393.

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

17 (4) In addition to the funds appropriated in part 1, there is  
18 appropriated an amount not to exceed \$60,000,000.00 for private  
19 contingency funds. These funds are not available for expenditure  
20 until they have been transferred to another line item in part 1  
21 under section 393(2) of the management and budget act, 1984 PA 431,  
22 MCL 18.1393.

23 Sec. 211. The department shall cooperate with the department  
24 of technology, management, and budget to maintain a searchable  
25 website accessible by the public at no cost that includes, but is  
26 not limited to, all of the following for each department or agency:

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



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

2 (c) Fiscal year-to-date payments to a selected vendor,  
3 including the vendor name, payment date, payment amount, and  
4 payment description.

5 (d) The number of active department employees by job  
6 classification.

7 (e) Job specifications and wage rates.

8 Sec. 212. Within 14 days after the release of the executive  
9 budget recommendation, the department shall cooperate with the  
10 state budget office to provide the senate and house appropriations  
11 chairs, the senate and house appropriations subcommittees chairs on  
12 the department budget, and the senate and house fiscal agencies  
13 with an annual report on estimated state restricted fund balances,  
14 state restricted fund projected revenues, and state restricted fund  
15 expenditures for the previous fiscal year and the current fiscal  
16 year.

17 Sec. 213. The department shall maintain, on a publicly  
18 accessible website, a department scorecard that identifies, tracks,  
19 and regularly updates key metrics that are used to monitor and  
20 improve an agency's performance.

21 Sec. 214. Total authorized appropriations from all sources  
22 under part 1 for legacy costs for the current fiscal year are  
23 estimated at \$335,657,300.00. From this amount, total agency  
24 appropriations for pension-related legacy costs are estimated at  
25 \$172,731,300.00. Total agency appropriations for retiree health  
26 care legacy costs are estimated at \$162,926,000.00.

27 Sec. 215. If either of the following events occur, within 30



1 days the department shall notify the state budget director, the  
2 chairs of the house and senate subcommittees on the department  
3 budget, and the house and senate fiscal agencies and policy offices  
4 of that fact:

5 (a) A legislative objective of this part or of a bill or  
6 amendment to a bill to amend the social welfare act, 1939 PA 280,  
7 MCL 400.1 to 400.119b, cannot be implemented because implementation  
8 would conflict with or violate federal regulations.

9 (b) A federal grant, for which a notice of an award has been  
10 received, cannot be used, or will not be used.

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

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

22 Sec. 217. (1) On or before February 1 of the current fiscal  
23 year, the department shall report to the house and senate  
24 appropriations subcommittees on the department budget, the house  
25 and senate fiscal agencies, and the state budget director on the  
26 detailed name and amounts of estimated federal, restricted,  
27 private, and local sources of revenue that support the



1 appropriations in each of the line items in part 1.

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

8 Sec. 218. The department shall include, but not be limited to,  
9 the following in its annual list of proposed basic health services  
10 as required in part 23 of the public health code, 1978 PA 368, MCL  
11 333.2301 to 333.2321:

12 (a) Immunizations.

13 (b) Communicable disease control.

14 (c) Sexually transmitted disease control.

15 (d) Tuberculosis control.

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

17 (f) Screening newborns for the conditions listed in section  
18 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
19 recommended by the newborn screening quality assurance advisory  
20 committee created under section 5430 of the public health code,  
21 1978 PA 368, MCL 333.5430.

22 (g) Health and human services annex of the Michigan emergency  
23 management plan.

24 (h) Prenatal care.

25 Sec. 219. (1) The department may contract with the Michigan  
26 Public Health Institute for the design and implementation of  
27 projects and for other public health-related activities prescribed



1 in section 2611 of the public health code, 1978 PA 368, MCL  
2 333.2611. The department may develop a master agreement with the  
3 Institute to carry out these purposes for up to a 3-year period.  
4 The department shall report to the house and senate appropriations  
5 subcommittees on the department budget, the house and senate fiscal  
6 agencies, and the state budget director on or before January 1 of  
7 the current fiscal year all of the following:

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

9 (b) The amount allocated for each project, the appropriation  
10 line item from which the allocation is funded, and the source of  
11 financing for each project.

12 (c) The expected project duration.

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

16 (2) On or before December 30 of the current fiscal year, the  
17 department shall provide to the same parties listed in subsection  
18 (1) a copy of all reports, studies, and publications produced by  
19 the Michigan Public Health Institute, its subcontractors, or the  
20 department with the funds appropriated in the department's budget  
21 in the previous fiscal year and allocated to the Michigan Public  
22 Health Institute.

23 Sec. 220. The department shall ensure that faith-based  
24 organizations are able to apply and compete for services, programs,  
25 or contracts that they are qualified and suitable to fulfill. The  
26 department shall not disqualify faith-based organizations solely on  
27 the basis of the religious nature of their organization or their



1 guiding principles or statements of faith.

2       Sec. 221. According to section 1b of the social welfare act,  
3 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this  
4 part as a time-limited addendum to the social welfare act, 1939 PA  
5 280, MCL 400.1 to 400.119b.

6       Sec. 222. (1) The department shall make the entire policy and  
7 procedures manual available and accessible to the public via the  
8 department website.

9       (2) The department shall report no later than April 1 of the  
10 current fiscal year on each specific policy change made to  
11 implement a public act affecting the department that took effect  
12 during the prior calendar year to the house and senate  
13 appropriations subcommittees on the budget for the department, the  
14 joint committee on administrative rules, the senate and house  
15 fiscal agencies, and policy offices. The department shall attach  
16 each policy bulletin issued during the prior calendar year to this  
17 report.

18       Sec. 223. The department may establish and collect fees for  
19 publications, videos and related materials, conferences, and  
20 workshops. Collected fees are appropriated when received and shall  
21 be used to offset expenditures to pay for printing and mailing  
22 costs of the publications, videos and related materials, and costs  
23 of the workshops and conferences. The department shall not collect  
24 fees under this section that exceed the cost of the expenditures.  
25 When collected fees are appropriated under this section in an  
26 amount that exceeds the current fiscal year appropriation, within  
27 30 days the department shall notify the chairs of the house and



1 senate subcommittees on the department budget, the house and senate  
2 fiscal agencies and policy offices, and the state budget director  
3 of that fact.

4       Sec. 224. The department may retain all of the state's share  
5 of food assistance overissuance collections as an offset to general  
6 fund/general purpose costs. Retained collections shall be applied  
7 against federal funds deductions in all appropriation units where  
8 department costs related to the investigation and recoupment of  
9 food assistance overissuances are incurred. Retained collections in  
10 excess of such costs shall be applied against the federal funds  
11 deducted in the departmental administration and support  
12 appropriation unit.

13       Sec. 225. (1) Sanctions, suspensions, conditions for  
14 provisional license status, and other penalties shall not be more  
15 stringent for private service providers than for public entities  
16 performing equivalent or similar services.

17       (2) Neither the department nor private service providers or  
18 licensees shall be granted preferential treatment or considered  
19 automatically to be in compliance with administrative rules based  
20 on whether they have collective bargaining agreements with direct  
21 care workers. Private service providers or licensees without  
22 collective bargaining agreements shall not be subjected to  
23 additional requirements or conditions of licensure based on their  
24 lack of collective bargaining agreements.

25       Sec. 226. If the revenue collected by the department from fees  
26 and collections exceeds the amount appropriated in part 1, the  
27 revenue may be carried forward with the approval of the state



1 budget director into the subsequent fiscal year. The revenue  
2 carried forward under this section shall be used as the first  
3 source of funds in the subsequent fiscal year.

4 Sec. 227. The state departments, agencies, and commissions  
5 receiving tobacco tax funds and Healthy Michigan fund revenue from  
6 part 1 shall report by April 1 of the current fiscal year to the  
7 senate and house appropriations committees, the senate and house  
8 fiscal agencies, and the state budget director on the following:

9 (a) Detailed spending plan by appropriation line item  
10 including description of programs and a summary of organizations  
11 receiving these funds.

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

14 (c) Eligibility criteria for program participation and maximum  
15 benefit levels where applicable.

16 (d) Outcome measures used to evaluate programs, including  
17 measures of the effectiveness of these programs in improving the  
18 health of Michigan residents.

19 Sec. 229. (1) The department shall extend the interagency  
20 agreement with the talent investment agency for the duration of the  
21 current fiscal year, which concerns TANF funding to provide job  
22 readiness and welfare-to-work programming. The interagency  
23 agreement shall include specific outcome and performance reporting  
24 requirements as described in this section. TANF funding provided to  
25 the talent investment agency in the current fiscal year is  
26 contingent on compliance with the data and reporting requirements  
27 described in this section. The interagency agreement must require



1 the talent investment agency to provide all of the following items  
2 by January 1 of the current fiscal year for the previous fiscal  
3 year to the senate and house appropriations subcommittees on the  
4 department budget and the state budget office:

5 (a) An itemized spending report on TANF funding, including all  
6 of the following:

7 (i) Direct services to recipients.

8 (ii) Administrative expenditures.

9 (b) The number of family independence program (FIP) recipients  
10 served through the TANF funding, including all of the following:

11 (i) The number and percentage who obtained employment through  
12 Michigan Works!

13 (ii) The number and percentage who fulfilled their TANF work  
14 requirement through other job readiness programming.

15 (iii) Average TANF spending per recipient.

16 (iv) The number and percentage of recipients who were referred  
17 to Michigan Works! but did not receive a job or job readiness  
18 placement and the reasons why.

19 (2) Not later than March 1 of the current fiscal year, the  
20 department shall provide to the senate and house appropriations  
21 subcommittees on the department budget, the senate and house fiscal  
22 agencies, the senate and house policy offices, and the state budget  
23 office an annual report on the following matters itemized by  
24 Michigan Works! agency: the number of referrals to Michigan Works!  
25 job readiness programs, the number of referrals to Michigan Works!  
26 job readiness programs who became a participant in the Michigan  
27 Works! job readiness programs, the number of participants who



1 obtained employment, and the cost per participant case.

2       Sec. 231. From the funds appropriated in part 1 for travel  
3 reimbursements to employees, the department shall allocate up to  
4 \$100,000.00 toward reimbursing counties for the out-of-pocket  
5 travel costs of the local county department board members and  
6 county department directors to attend 1 meeting per year of the  
7 Michigan County Social Services Association.

8       Sec. 252. The appropriations in part 1 for Healthy Michigan  
9 plan - behavioral health, Healthy Michigan plan administration, and  
10 Healthy Michigan plan are contingent on the provisions of the  
11 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were  
12 contained in 2013 PA 107 not being amended, repealed, or otherwise  
13 altered to eliminate the Healthy Michigan plan. If that occurs,  
14 then, upon the effective date of the amendatory act that amends,  
15 repeals, or otherwise alters those provisions, the remaining funds  
16 in the Healthy Michigan plan - behavioral health, Healthy Michigan  
17 plan administration, and Healthy Michigan plan line items shall  
18 only be used to pay previously incurred costs and any remaining  
19 appropriations shall not be allotted to support those line items.

20       Sec. 263. (1) Except as otherwise provided in this subsection,  
21 before submission of a waiver, a state plan amendment, or a similar  
22 proposal to the Centers for Medicare and Medicaid Services or other  
23 federal agency, the department shall provide written notification  
24 of the planned submission to the house and senate appropriations  
25 subcommittees on the department budget, the house and senate fiscal  
26 agencies and policy offices, and the state budget office. This  
27 subsection does not apply to the submission of a waiver, a state



1 plan amendment, or similar proposal that does not propose a  
2 material change or is outside of the ordinary course of waiver,  
3 state plan amendment, or similar proposed submissions.

4 (2) The department shall provide written biannual reports to  
5 the senate and house appropriations subcommittees on the department  
6 budget, the senate and house fiscal agencies, and the state budget  
7 office summarizing the status of any new or ongoing discussions  
8 with the Centers for Medicare and Medicaid Services or the United  
9 States Department of Health and Human Services or other federal  
10 agency regarding potential or future waiver applications as well as  
11 the status of submitted waivers that have not yet received federal  
12 approval. If, at the time a biannual report is due, there are no  
13 reportable items, then no report is required to be provided.

14 Sec. 264. The department shall not take disciplinary action  
15 against an employee for communicating with a member of the  
16 legislature or his or her staff.

17 Sec. 270. The department shall advise the legislature of the  
18 receipt of a notification from the attorney general's office of a  
19 legal action in which expenses had been recovered pursuant to  
20 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106,  
21 or any other statute under which the department has the right to  
22 recover expenses. By November 1 and May 1 of the current fiscal  
23 year, the department shall submit a written report to the house and  
24 senate appropriations subcommittees on the department budget, the  
25 house and senate fiscal agencies, and the state budget office that  
26 includes, at a minimum, all of the following:

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



1 (b) The program or service for which the money was originally  
2 expended.

3 (c) Details on the disposition of the funds recovered such as  
4 the appropriation or revenue account in which the money was  
5 deposited.

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

7 Sec. 274. (1) The department, in collaboration with the state  
8 budget office, shall submit to the house and senate appropriations  
9 subcommittees on the department budget, the house and senate fiscal  
10 agencies, and the house and senate policy offices 1 week after the  
11 day the governor submits to the legislature the budget for the  
12 ensuing fiscal year a report on spending and revenue projections  
13 for each of the capped federal funds listed below. The report shall  
14 contain actual spending and revenue in the previous fiscal year,  
15 spending and revenue projections for the current fiscal year as  
16 enacted, and spending and revenue projections within the executive  
17 budget proposal for the fiscal year beginning October 1, 2018 for  
18 each individual line item for the department budget. The report  
19 shall also include federal funds transferred to other departments.  
20 The capped federal funds shall include, but not be limited to, all  
21 of the following:

22 (a) TANF.

23 (b) Title XX social services block grant.

24 (c) Title IV-B part I child welfare services block grant.

25 (d) Title IV-B part II promoting safe and stable families  
26 funds.

27 (e) Low-income home energy assistance program.



1 (2) It is the intent of the legislature that the department,  
2 in collaboration with the state budget office, not utilize capped  
3 federal funding for economics adjustments for FTEs or other  
4 economics costs that are included as part of the budget submitted  
5 to the legislature by the governor for the ensuing fiscal year,  
6 unless there is a reasonable expectation for increased federal  
7 funding to be available to the department from that capped revenue  
8 source in the ensuing fiscal year.

9 Sec. 275. (1) As part of the year-end closing process, the  
10 department, with the approval of the state budget director, is  
11 authorized to realign sources between other federal, TANF, and  
12 capped federal financing authorizations in order to maximize  
13 federal revenues. This realignment of financing shall not produce a  
14 gross increase or decrease in the department's total individual  
15 line item authorizations, nor will it produce a net increase or  
16 decrease in total federal revenues, or a net increase in TANF  
17 authorization.

18 (2) Not later than November 30, the department shall submit to  
19 the house and senate appropriations subcommittees on the department  
20 budget, the house and senate fiscal agencies, and the house and  
21 senate policy offices a report on the realignment of federal fund  
22 sources that took place as part of the year-end closing process for  
23 the previous fiscal year.

24 Sec. 279. (1) All master contracts relating to human services  
25 as funded by the appropriations in sections 103, 104, 105, 106,  
26 107, 108, and 109 of part 1 shall be performance-based contracts  
27 that employ a client-centered results-oriented process that is



1 based on measurable performance indicators and desired outcomes and  
2 includes the annual assessment of the quality of services provided.

3 (2) By February 1 of the current fiscal year, the department  
4 shall provide the senate and house appropriations subcommittees on  
5 the department budget, the senate and house fiscal agencies and  
6 policy offices, and the state budget office a report detailing  
7 measurable performance indicators, desired outcomes, and an  
8 assessment of the quality of services provided by the department  
9 during the previous fiscal year.

10 Sec. 281. By March 1 and August 1 of the current fiscal year,  
11 the department shall report on the number of FTEs in pay status by  
12 type of staff.

13 Sec. 288. (1) Beginning October 1 of the current fiscal year,  
14 no less than 90% of a new department contract supported solely from  
15 state restricted funds or general fund/general purpose funds and  
16 designated in this part or part 1 for a specific entity for the  
17 purpose of providing services to individuals shall be expended for  
18 such services after the first year of the contract.

19 (2) The department may allow a contract to exceed the  
20 limitation on administrative and services costs if it can be  
21 demonstrated that an exception should be made to the provision in  
22 subsection (1).

23 (3) By September 30 of the current fiscal year, the department  
24 shall report to the house and senate appropriations subcommittees  
25 on the department budget, house and senate fiscal agencies, and  
26 state budget office on the rationale for all exceptions made to the  
27 provision in subsection (1) and the number of contracts terminated



1 due to violations of subsection (1).

2       Sec. 289. By March 1 of the current fiscal year, the  
3 department shall provide to the senate and house appropriations  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies, and the senate and house policy offices an annual report  
6 on the supervisor-to-staff ratio by department divisions and  
7 subdivisions.

8       Sec. 291. The department shall verify, using the e-verify  
9 system, that all new department employees, and new hire employees  
10 of contractors and subcontractors paid from funds appropriated in  
11 part 1, are legally present in the United States. The department  
12 may verify this information directly or may require contractors and  
13 subcontractors to verify the information and submit a certification  
14 to the department.

15       Sec. 295. (1) From the funds appropriated in part 1 to  
16 agencies providing physical and behavioral health services to  
17 multicultural populations, the department shall award grants in  
18 accordance with the requirements of subsection (2). The state is  
19 not liable for any spending above the contract amount.

20       (2) The department shall require each contractor described in  
21 subsection (1) that receives greater than \$1,000,000.00 in state  
22 grant funding to comply with performance-related metrics to  
23 maintain their eligibility for funding. The organizational metrics  
24 shall include, but not be limited to, all of the following:

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



1 (b) Each contractor or subcontractor shall have a mission that  
2 is consistent with the purpose of the multicultural agency.

3 (c) Each contractor shall validate that any subcontractors  
4 utilized within these appropriations share the same mission as the  
5 lead agency receiving funding.

6 (d) Each contractor or subcontractor shall demonstrate cost-  
7 effectiveness.

8 (e) Each contractor or subcontractor shall ensure their  
9 ability to leverage private dollars to strengthen and maximize  
10 service provision.

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

14 (3) The department shall require an annual report from the  
15 contractors described in subsection (2). The annual report, due 60  
16 days following the end of the contract period, shall include  
17 specific information on services and programs provided, the client  
18 base to which the services and programs were provided, information  
19 on any wraparound services provided, and the expenditures for those  
20 services. The department shall provide the annual reports to the  
21 senate and house appropriations subcommittees on health and human  
22 services, the senate and house fiscal agencies, and the state  
23 budget office.

24 Sec. 298. (1) For the items described in subsections (2) and  
25 (3), the department shall demonstrate both the successes and  
26 weaknesses of altering the behavioral health services delivery  
27 system. In evaluating the successes and weaknesses, the department



1 shall consider all of the following, including, but not limited to,  
2 improvement of the coordination between behavioral health and  
3 physical health, improvement of services available to individuals  
4 with mental illnesses, intellectual or developmental disabilities,  
5 or substance use disorders, benefits associated with whole person  
6 centered planning, benefits associated with full access to  
7 community-based services and supports, and financial efficiencies.  
8 Any and all realized benefits and cost savings of altering the  
9 behavioral health system shall be reinvested in services and  
10 supports for individuals having or at risk of having mental  
11 illness, intellectual or developmental disability, or substance use  
12 disorder.

13 (2) The department shall work with a willing CMHSP in Kent  
14 County and all Medicaid health plans in the county to pilot a full  
15 physical and behavioral health integrated service model consistent  
16 with the stated core values of the workgroup established in section  
17 298 of article X of 2016 PA 268.

18 (3) The department shall implement a public statewide  
19 behavioral health managed care organization consistent with the  
20 core values stated by the workgroup described in subsection (2).  
21 The organization shall operate in conjunction with an appointed  
22 state commission that shall consist of appropriately identified and  
23 diverse members.

24 (4) By March 15 of the current fiscal year, the department  
25 shall report to the house and senate appropriations subcommittees  
26 on the department budget, the house and senate fiscal agencies, the  
27 house and senate policy offices, and the state budget office on



1 progress, a time frame for implementation, and any identified  
2 barriers to implementation of the items described in subsections  
3 (2) and (3). In addition, the report shall also include information  
4 on policy changes and any other efforts made to improve the  
5 coordination of supports and services for individuals having or at  
6 risk of having mental illness, an intellectual or developmental  
7 disability, substance use disorder, or physical health needs.

8       Sec. 299. (1) No state department or agency shall issue a  
9 request for proposal (RFP) for a contract in excess of  
10 \$5,000,000.00, unless the department or agency has first considered  
11 issuing a request for information (RFI) or a request for  
12 qualification (RFQ) relative to that contract to better enable the  
13 department or agency to learn more about the market for the  
14 products or services that are the subject of the RFP. The  
15 department or agency shall notify the department of technology,  
16 management, and budget of the evaluation process used to determine  
17 if an RFI or RFQ was not necessary prior to issuing the RFP.

18       (2) From funds appropriated in part 1, for all RFPs issued  
19 during the current fiscal year where an existing service received  
20 proposals by multiple vendors, the department shall notify all  
21 vendors within 30 days of the RFP decision. The notification to  
22 vendors shall include details on the RFP process, including the  
23 respective RFP scores and the respective cost for each vendor. If  
24 the highest scored RFP or lowest cost RFP does not receive the  
25 contract for an existing service offered by the department, the  
26 notification shall issue an explanation for the reasons that the  
27 highest scored RFP or lowest cost RFP did not receive the contract



1 and detail the incremental cost target amount or service level  
2 required that was required to migrate the service to a new vendor.  
3 Additionally, the department shall include in the notification  
4 details as to why a cost or service difference is justifiable if  
5 the highest scored or lowest cost vendor does not receive the  
6 contract.

7 (3) The department shall submit to the senate and house  
8 appropriations subcommittees on the department budget, the senate  
9 and house fiscal agencies, the senate and house policy offices, and  
10 the state budget office by September 30 of the current fiscal year  
11 a report that summarizes all RFPs during the current fiscal year  
12 where an existing service received proposals by multiple vendors.  
13 The report shall list all finalized RFPs where there was a  
14 divergence from awarding the contract to the lowest cost or highest  
15 scoring vendor. The report shall also include the cost or service  
16 threshold required by department policy that must be satisfied in  
17 order for an existing contract to be received by new vendor.

#### 18 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

19 Sec. 307. (1) From the funds appropriated in part 1 for  
20 demonstration projects, \$950,000.00 shall be distributed as  
21 provided in subsection (2). The amount distributed under this  
22 subsection shall not exceed 50% of the total operating expenses of  
23 the program described in subsection (2), with the remaining 50%  
24 paid by local United Way organizations and other nonprofit  
25 organizations and foundations.

26 (2) Funds distributed under subsection (1) shall be



1 distributed to Michigan 2-1-1, a nonprofit corporation organized  
2 under the laws of this state that is exempt from federal income tax  
3 under section 501(c)(3) of the internal revenue code of 1986, 26  
4 USC 501(c)(3), and whose mission is to coordinate and support a  
5 statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to  
6 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1  
7 in January 2005.

8 (3) Michigan 2-1-1 shall refer to the department any calls  
9 received reporting fraud, waste, or abuse of state-administered  
10 public assistance.

11 (4) Michigan 2-1-1 shall report annually to the department and  
12 the house and senate standing committees with primary jurisdiction  
13 over matters relating to human services and telecommunications on  
14 2-1-1 system performance, the senate and house appropriations  
15 subcommittees on the department budget, and the senate and house  
16 fiscal agencies, including, but not limited to, call volume by  
17 health and human service needs and unmet needs identified through  
18 caller data and customer satisfaction metrics.

19 Sec. 316. From the funds appropriated in part 1 for terminal  
20 leave payments, the department shall not spend in excess of its  
21 annual gross appropriation unless it identifies and requests a  
22 legislative transfer from another budgetary line item supporting  
23 administrative costs, as provided by section 393(2) of the  
24 management and budget act, 1984 PA 431, MCL 18.1393.

## 25 **CHILD SUPPORT ENFORCEMENT**

26 Sec. 401. (1) The appropriations in part 1 assume a total



1 federal child support incentive payment of \$26,500,000.00.

2 (2) From the federal money received for child support  
3 incentive payments, \$12,000,000.00 shall be retained by the state  
4 and expended for child support program expenses.

5 (3) From the federal money received for child support  
6 incentive payments, \$14,500,000.00 shall be paid to the counties  
7 based on each county's performance level for each of the federal  
8 performance measures as established in 45 CFR 305.2.

9 (4) If the child support incentive payment to the state from  
10 the federal government is greater than \$26,500,000.00, then 100% of  
11 the excess shall be retained by the state and is appropriated until  
12 the total retained by the state reaches \$15,397,400.00.

13 (5) If the child support incentive payment to the state from  
14 the federal government is greater than the amount needed to satisfy  
15 the provisions identified in subsections (1), (2), (3), and (4),  
16 the additional funds shall be subject to appropriation by the  
17 legislature.

18 (6) If the child support incentive payment to the state from  
19 the federal government is less than \$26,500,000.00, then the state  
20 and county share shall each be reduced by 50% of the shortfall.

21 Sec. 409. (1) If statewide retained child support collections  
22 exceed \$38,300,000.00, 75% of the amount in excess of  
23 \$38,300,000.00 is appropriated to legal support contracts. This  
24 excess appropriation may be distributed to eligible counties to  
25 supplement and not supplant county title IV-D funding.

26 (2) Each county whose retained child support collections in  
27 the current fiscal year exceed its fiscal year 2004-2005 retained



1 child support collections, excluding tax offset and financial  
2 institution data match collections in both the current year and  
3 fiscal year 2004-2005, shall receive its proportional share of the  
4 75% excess.

5       Sec. 410. (1) If title IV-D-related child support collections  
6 are escheated, the state budget director is authorized to adjust  
7 the sources of financing for the funds appropriated in part 1 for  
8 legal support contracts to reduce federal authorization by 66% of  
9 the escheated amount and increase general fund/general purpose  
10 authorization by the same amount. This budget adjustment is  
11 required to offset the loss of federal revenue due to the escheated  
12 amount being counted as title IV-D program income in accordance  
13 with federal regulations at 45 CFR 304.50.

14       (2) The department shall notify the chairs of the house and  
15 senate appropriations subcommittees on the department budget and  
16 the house and senate fiscal agencies within 15 days of the  
17 authorization adjustment in subsection (1).

#### 18 **COMMUNITY SERVICES AND OUTREACH**

19       Sec. 450. (1) From the funds appropriated in part 1 for school  
20 success partnership program, the department shall allocate  
21 \$525,000.00 by December 1 of the current fiscal year to support the  
22 Northeast Michigan Community Service Agency programming, which will  
23 take place in each county in the Governor's Prosperity Region 3.  
24 The department shall require the following performance objectives  
25 be measured and reported for the duration of the state funding for  
26 the school success partnership program:



1 (a) Increasing school attendance and decreasing chronic  
2 absenteeism.

3 (b) Increasing academic performance based on grades with  
4 emphasis on math and reading.

5 (c) Identifying barriers to attendance and success and  
6 connecting families with resources to reduce these barriers.

7 (d) Increasing parent involvement with the parent's child's  
8 school and community.

9 (2) The Northeast Michigan Community Service Agency shall  
10 provide reports to the department on January 31 and June 30 of the  
11 current fiscal year on the number of children and families served  
12 and the services that were provided to families to meet the  
13 performance objectives identified in this section. The department  
14 shall distribute the reports within 1 week after receipt to the  
15 senate and house appropriations subcommittees on the department  
16 budget, the senate and house fiscal agencies, the senate and house  
17 policy offices, and the state budget office.

18 Sec. 452. From the funds appropriated in part 1 for crime  
19 victim justice assistance grants, the department shall continue to  
20 support forensic nurse examiner programs to facilitate training for  
21 improved evidence collection for the prosecution of sexual assault.  
22 The funds shall be used for program coordination and training.

23 Sec. 453. From the funds appropriated in part 1 for homeless  
24 programs, the department shall increase emergency shelter program  
25 per diem rates to \$16.00 per bed night to support efforts of  
26 shelter providers to move homeless individuals and households into  
27 permanent housing as quickly as possible. The purpose of this



1 enhancement is to increase the number of shelter discharges to  
2 stable housing destinations, decrease recidivism rates for shelter  
3 clients, and reduce the average length of stay in emergency  
4 shelters.

5 Sec. 454. The department shall allocate the full amount of  
6 funds appropriated in part 1 for homeless programs to provide  
7 services for homeless individuals and families, including, but not  
8 limited to, third-party contracts for emergency shelter services.

9 Sec. 455. As a condition of receipt of federal TANF funds,  
10 homeless shelters and human services agencies shall collaborate  
11 with the department to obtain necessary TANF eligibility  
12 information on families as soon as possible after admitting a  
13 family to the homeless shelter. From the funds appropriated in part  
14 1 for homeless programs, the department is authorized to make  
15 allocations of TANF funds only to the homeless shelters and human  
16 services agencies that report necessary data to the department for  
17 the purpose of meeting TANF eligibility reporting requirements.  
18 Homeless shelters or human services agencies that do not report  
19 necessary data to the department for the purpose of meeting TANF  
20 eligibility reporting requirements will not receive reimbursements  
21 that exceed the per diem amount they received in fiscal year 2000.  
22 The use of TANF funds under this section is not an ongoing  
23 commitment of funding.

24 **CHILDREN'S SERVICES AGENCY - CHILD WELFARE**

25 Sec. 501. (1) A goal is established that not more than 25% of  
26 all children in foster care at any given time during the current



1 fiscal year will have been in foster care for 24 months or more.

2 (2) By March 1 of the current fiscal year, the department  
3 shall provide to the senate and house appropriations subcommittees  
4 on the department budget, the senate and house fiscal agencies, the  
5 senate and house policy offices, and the state budget office a  
6 report describing the steps that will be taken to achieve the  
7 specific goal established in this section and on the percentage of  
8 children who currently are in foster care and who have been in  
9 foster care a total of 24 or more months.

10 Sec. 502. From the funds appropriated in part 1 for foster  
11 care, the department shall provide 50% reimbursement to Indian  
12 tribal governments for foster care expenditures for children who  
13 are under the jurisdiction of Indian tribal courts and who are not  
14 otherwise eligible for federal foster care cost sharing.

15 Sec. 503. (1) In accordance with the final report of the  
16 Michigan child welfare performance-based funding task force issued  
17 in response to section 503 of article X of 2013 PA 59, the  
18 department shall continue to develop actuarially sound case rates  
19 for necessary out-of-home child welfare services that achieve  
20 permanency by the department and private child placing agencies in  
21 a prospective payment system under a performance-based funding  
22 model.

23 (2) The department shall continue to develop a prospective  
24 rate payment system for private agencies that includes funding for  
25 adoption incentive payments. The full cost prospective rate payment  
26 system will identify and cover contractual costs paid through the  
27 case rate developed by an independent actuary.



1 (3) By March 1 of the current fiscal year, the department  
2 shall provide to the senate and house appropriations committees on  
3 the department budget, the senate and house fiscal agencies and  
4 policy offices, and the state budget office a report on the full  
5 cost analysis of the performance-based funding model. The report  
6 shall include background information on the project and give  
7 details about the contractual costs covered through the case rate.

8 (4) The department shall only implement the performance-based  
9 funding model into additional counties where the department,  
10 private child welfare agencies, the county, and the court operating  
11 within that county have signed a memorandum of understanding that  
12 incorporates the intentions of the concerned parties in order to  
13 implement the performance-based funding model.

14 (5) The department, in conjunction with members from both the  
15 house of representatives and senate, private child placing  
16 agencies, the courts, and counties shall implement the  
17 recommendations that are described in the workgroup report that was  
18 provided in section 503 of article X of 2013 PA 59 to establish a  
19 performance-based funding for public and private child welfare  
20 services providers. The department shall provide a quarterly report  
21 on the status of the performance-based contracting model to the  
22 senate and house appropriations subcommittees on the department  
23 budget, the senate and house standing committees on families and  
24 human services, and the senate and house fiscal agencies and policy  
25 offices.

26 (6) From the funds appropriated in part 1 for the performance-  
27 based funding model pilot, the department shall continue to work



1 with the West Michigan Partnership for Children Consortium on the  
2 implementation of the performance-based funding model pilot. The  
3 consortium shall accept and comprehensively assess referred youth,  
4 assign cases to members of its continuum or leverage services from  
5 other entities, and make appropriate case management decisions  
6 during the duration of a case. The consortium shall operate an  
7 integrated continuum of care structure, with services provided by  
8 both private and public agencies, based on individual case needs.  
9 The consortium shall demonstrate significant organizational  
10 capacity and competencies, including experience with managing risk-  
11 based contracts, financial strength, experienced staff and  
12 leadership, and appropriate governance structure.

13       Sec. 504. (1) The department may establish a master agreement  
14 with the West Michigan Partnership for Children Consortium for a  
15 performance-based child welfare contracting pilot program. The  
16 consortium shall consist of a network of affiliated child welfare  
17 service providers that will accept and comprehensively assess  
18 referred youth, assign cases to members of its continuum or  
19 leverage services from other entities, and make appropriate case  
20 management decisions during the duration of a case.

21       (2) The consortium shall operate an integrated continuum of  
22 care structure, with services provided by private or public  
23 agencies, based on individual case needs.

24       (3) By March 1 of the current fiscal year, the consortium  
25 shall provide to the department and the house and senate  
26 appropriations subcommittees on the department budget a report on  
27 the consortium, including, but not limited to, actual expenditures,



1 administrative expenses, number of children placed by agencies in  
2 the consortium, fund balance of the consortium, and the status of  
3 the consortium evaluation.

4       Sec. 505. By March 1 of the current fiscal year, the  
5 department shall provide to the senate and house appropriations  
6 subcommittees on the department budget, the senate and house fiscal  
7 agencies and policy offices, and the state budget office a report  
8 for youth referred or committed to the department for care or  
9 supervision in the previous fiscal year outlining the number of  
10 youth served within the juvenile justice system, the type of  
11 setting for each youth, performance outcomes, and financial costs  
12 or savings.

13       Sec. 507. The department's ability to satisfy appropriation  
14 deducts in part 1 for foster care private collections shall not be  
15 limited to collections and accruals pertaining to services provided  
16 only in the current fiscal year but may include revenues collected  
17 during the current fiscal year for services provided in prior  
18 fiscal years.

19       Sec. 508. (1) In addition to the amount appropriated in part 1  
20 for children's trust fund grants, money granted or money received  
21 as gifts or donations to the children's trust fund created by 1982  
22 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

23       (2) The department and the child abuse and neglect prevention  
24 board shall collaborate to ensure that administrative delays are  
25 avoided and the local grant recipients and direct service providers  
26 receive money in an expeditious manner. The department and board  
27 shall make available the children's trust fund contract funds to



1 grantees within 31 days of the start date of the funded project.

2       Sec. 511. The department shall provide semiannual reports to  
3 the senate and house appropriations subcommittees on the department  
4 budget, the senate and house standing committees on families and  
5 human services, and the senate and house fiscal agencies and policy  
6 offices on the number and percentage of children who received  
7 timely health examinations after entry into foster care and the  
8 number and percentage of children entering foster care who received  
9 a required mental health examination after entry into foster care.

10       Sec. 512. (1) From the funds appropriated in part 1, the  
11 department shall conduct a study on the cost and feasibility of  
12 extending basic foster care services and financial resources to  
13 children and to the caregivers of children who have been removed  
14 from their birth parent, birth parents, or guardian and placed with  
15 a relative outside of the foster care system.

16       (2) The department shall report the findings of the study  
17 described in subsection (1) to the house and senate appropriations  
18 subcommittees on the department budget, the house and senate fiscal  
19 agencies, and the house and senate policy offices by July 1 of the  
20 current fiscal year.

21       Sec. 513. (1) The department shall not expend funds  
22 appropriated in part 1 to pay for the direct placement by the  
23 department of a child in an out-of-state facility unless all of the  
24 following conditions are met:

25       (a) There is no appropriate placement available in this state  
26 as determined by the department interstate compact office.

27       (b) An out-of-state placement exists that is nearer to the



1 child's home than the closest appropriate in-state placement as  
2 determined by the department interstate compact office.

3 (c) The out-of-state facility meets all of the licensing  
4 standards of this state for a comparable facility.

5 (d) The out-of-state facility meets all of the applicable  
6 licensing standards of the state in which it is located.

7 (e) The department has done an on-site visit to the out-of-  
8 state facility, reviewed the facility records, reviewed licensing  
9 records and reports on the facility, and believes that the facility  
10 is an appropriate placement for the child.

11 (2) The department shall not expend money for a child placed  
12 in an out-of-state facility without approval of the executive  
13 director of the children's services agency.

14 (3) The department shall submit an annual report to the state  
15 court administrative office, the house and senate appropriations  
16 subcommittees on the department budget, the house and senate fiscal  
17 agencies, the house and senate policy offices, and the state budget  
18 office on the number of Michigan children residing in out-of-state  
19 facilities at the time of the report, the total cost and average  
20 per diem cost of these out-of-state placements to this state, and a  
21 list of each such placement arranged by the Michigan county of  
22 residence for each child.

23 (4) It is the intent of the legislature that the department  
24 shall work in conjunction with the courts and the state court  
25 administrative office to identify data needed to calculate  
26 statewide recidivism rates for adjudicated youth placed in either  
27 residential secure or nonsecure facilities, defined at 6 months



1 after a youth is released from placement.

2 (5) By March 1 of the current fiscal year, the department  
3 shall notify the legislature on the status of efforts to accomplish  
4 the intent of subsection (4).

5 Sec. 514. The department shall make a comprehensive report  
6 concerning children's protective services (CPS) to the legislature,  
7 including the senate and house policy offices and the state budget  
8 director, by March 1 of the current fiscal year, that shall include  
9 all of the following:

10 (a) Statistical information including, but not limited to, all  
11 of the following:

12 (i) The total number of reports of child abuse or child  
13 neglect investigated under the child protection law, 1975 PA 238,  
14 MCL 722.621 to 722.638, and the number of cases classified under  
15 category I or category II and the number of cases classified under  
16 category III, category IV, or category V.

17 (ii) Characteristics of perpetrators of child abuse or child  
18 neglect and the child victims, such as age, relationship, race, and  
19 ethnicity and whether the perpetrator exposed the child victim to  
20 drug activity, including the manufacture of illicit drugs, that  
21 exposed the child victim to substance abuse, a drug house, or  
22 methamphetamine.

23 (iii) The mandatory reporter category in which the individual  
24 who made the report fits, or other categorization if the individual  
25 is not within a group required to report under the child protection  
26 law, 1975 PA 238, MCL 722.621 to 722.638.

27 (iv) The number of cases that resulted in the separation of



1 the child from the parent or guardian and the period of time of  
2 that separation, up to and including termination of parental  
3 rights.

4 (v) For the reported complaints of child abuse or child  
5 neglect by teachers, school administrators, and school counselors,  
6 the number of cases classified under category I or category II and  
7 the number of cases classified under category III, category IV, or  
8 category V.

9 (vi) For the reported complaints of child abuse or child  
10 neglect by teachers, school administrators, and school counselors,  
11 the number of cases that resulted in separation of the child from  
12 the parent or guardian and the period of time of that separation,  
13 up to and including termination of parental rights.

14 (b) New policies related to children's protective services  
15 including, but not limited to, major policy changes and court  
16 decisions affecting the children's protective services system  
17 during the immediately preceding 12-month period.

18 (c) Statistical information regarding families that were  
19 classified in category III, including, but not limited to, all of  
20 the following:

21 (i) The total number of cases classified in category III.

22 (ii) The number of cases in category III referred to voluntary  
23 community services and closed with no additional monitoring.

24 (iii) The number of cases in category III referred to  
25 voluntary community services and monitored for up to 90 days.

26 (iv) The number of cases in category III for which the  
27 department entered more than 1 determination that there was



1 evidence of child abuse or child neglect.

2 (v) The number of cases in category III that the department  
3 reclassified from category III to category II.

4 (vi) The number of cases in category III that the department  
5 reclassified from category III to category I.

6 (vii) The number of cases in category III that the department  
7 reclassified from category III to category I that resulted in a  
8 removal.

9 (d) The department policy, or changes to the department  
10 policy, regarding children who have been exposed to the production  
11 or manufacture of methamphetamines.

12 Sec. 515. By March 1 of the current fiscal year, the  
13 department shall submit a report to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office that provides an update on the  
17 privatization of child welfare services in Kent County as described  
18 in section 515 of article X of 2013 PA 59 and includes all of the  
19 following:

20 (a) Costs or savings that resulted from the program.

21 (b) Gaps in funding.

22 (c) Program successes.

23 (d) Challenges and barriers to a successful implementation.

24 Sec. 519. The department shall permit any private agency that  
25 has an existing contract with this state to provide foster care  
26 services to be also eligible to provide treatment foster care  
27 services.



1           Sec. 523. (1) By February 15 of the current fiscal year, the  
2 department shall report on the families first, family  
3 reunification, and families together building solutions family  
4 preservation programs to the senate and house appropriations  
5 subcommittees on the department budget, the senate and house fiscal  
6 agencies, the senate and house policy offices, and the state budget  
7 office. The report shall provide an estimate of total costs savings  
8 as a result of avoiding placement of children in foster care for  
9 families who received family preservation services and shall  
10 include information for each program on any innovations that may  
11 increase savings or reductions in administrative costs.

12           (2) From the funds appropriated in part 1 for youth in  
13 transition and domestic violence prevention and treatment, the  
14 department is authorized to make allocations of TANF funds only to  
15 agencies that report necessary data to the department for the  
16 purpose of meeting TANF eligibility reporting requirements.

17           Sec. 524. As a condition of receiving funds appropriated in  
18 part 1 for strong families/safe children, counties must submit the  
19 service spending plan to the department by October 1 of the current  
20 fiscal year for approval. The department shall approve the service  
21 spending plan within 30 calendar days after receipt of a properly  
22 completed service spending plan.

23           Sec. 525. The department shall implement the same on-site  
24 evaluation processes for privately operated child welfare and  
25 juvenile justice residential facilities as is used to evaluate  
26 state-operated facilities. Penalties for noncompliance shall be the  
27 same for privately operated child welfare and juvenile justice



1 residential facilities and state-operated facilities.

2       Sec. 526. From the funds appropriated in part 1 for foster  
3 care payments and related administrative costs, the department may  
4 implement the federally approved title IV-E child welfare waiver  
5 demonstration project. As required under the waiver, any savings  
6 resulting from the demonstration project must be quantified and  
7 reinvested into child welfare programming.

8       Sec. 531. The department shall notify the house and senate  
9 appropriations subcommittees on the department budget, the house  
10 and senate fiscal agencies, and the house and senate policy offices  
11 of any changes to a child welfare master contract template,  
12 including the adoption master contract template, the independent  
13 living plus master contract template, the child placing agency  
14 foster care master contract template, and the residential foster  
15 care juvenile justice master contract template, not less than 30  
16 days before the change takes effect.

17       Sec. 532. The department, in collaboration with  
18 representatives of private child and family agencies, shall revise  
19 and improve the annual licensing review process and the annual  
20 contract compliance review process for child placing agencies and  
21 child caring institutions. The improvement goals shall be safety  
22 and care for children. Improvements to the review process shall be  
23 directed toward alleviating administrative burdens so that agency  
24 resources may be focused on children. The revision shall include  
25 identification of duplicative staff activities and information  
26 sought from child placing agencies and child caring institutions in  
27 the annual review process. The department shall report to the



1 senate and house appropriations subcommittees on the department  
2 budget, the senate and house fiscal agencies and policy offices,  
3 and the state budget director on or before January 15 of the  
4 current fiscal year on the findings of the annual licensing review.

5       Sec. 533. (1) The department shall make payments to child  
6 placing facilities for in-home and out-of-home care services and  
7 adoption services within 30 days of receiving all necessary  
8 documentation from those agencies. It is the intent of the  
9 legislature that the burden of ensuring that these payments are  
10 made in a timely manner and no payments are in arrears is upon the  
11 department.

12       (2) No later than March 1 of the current fiscal year, the  
13 department shall submit a report to the senate and house  
14 appropriations subcommittees on the department budget, the senate  
15 and house fiscal agencies, the senate and house policy offices, and  
16 the state budget office that details each private child placing  
17 agency and the percentage of payments that were in excess of 30  
18 days during the entire prior fiscal year and the first quarter of  
19 the current fiscal year.

20       Sec. 537. (1) The department, in collaboration with child  
21 placing agencies, shall develop a strategy to implement section  
22 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The  
23 strategy shall include a requirement that a department caseworker  
24 responsible for preparing a recommendation to a court concerning a  
25 juvenile placement shall provide, as part of the recommendation,  
26 information regarding the requirements of section 115o of the  
27 social welfare act, 1939 PA 280, MCL 400.115o.



1 (2) By March 1 of the current fiscal year, the department  
2 shall provide to the senate and house appropriations subcommittees  
3 on the department budget, the senate and house fiscal agencies, the  
4 senate and house policy offices, and the state budget office a  
5 report on the strategy described in subsection (1).

6 Sec. 540. If a physician or psychiatrist who is providing  
7 services to state or court wards placed in a residential facility  
8 submits a formal request to the department to change the  
9 psychotropic medication of a ward, the department shall, if the  
10 ward is a state ward, make a determination on the proposed change  
11 within 7 business days after the request or, if the ward is a  
12 temporary court ward, seek parental consent within 7 business days  
13 after the request. If parental consent is not provided within 7  
14 business days, the department shall petition the court on the  
15 eighth business day.

16 Sec. 546. (1) From the funds appropriated in part 1 for foster  
17 care payments and from child care fund, the department shall pay  
18 providers of general foster care and trial reunification services  
19 not less than a \$45.60 administrative rate.

20 (2) From the funds appropriated in part 1 for foster care  
21 payments and from child care fund, the department shall pay  
22 providers of general independent living services not less than a  
23 \$37.10 administrative rate.

24 (3) From the funds appropriated in part 1, the department  
25 shall pay providers of independent living plus services statewide  
26 per diem rates for staff-supported housing and host-home housing  
27 based on proposals submitted in response to a solicitation for



1 pricing. The independent living plus program provides staff-  
2 supported housing and services for foster youth ages 16 through 19  
3 who, because of their individual needs and assessments, are not  
4 initially appropriate for general independent living foster care.

5 (4) If required by the federal government to meet title IV-E  
6 requirements, providers of foster care services shall submit  
7 quarterly expenditure reports to the department to identify actual  
8 costs of providing foster care services.

9 Sec. 547. From the funds appropriated in part 1 for the  
10 guardianship assistance program, the department shall pay a minimum  
11 rate that is not less than the approved age-appropriate payment  
12 rates for youth placed in family foster care.

13 Sec. 559. (1) From the funds appropriated in part 1 for  
14 adoption support services, the department shall allocate  
15 \$250,000.00 to the Adoptive Family Support Network by December 1 of  
16 the current fiscal year to operate and expand its adoptive parent  
17 mentor program to provide a listening ear, knowledgeable guidance,  
18 and community connections to adoptive parents and children who were  
19 adopted in this state or another state.

20 (2) The Adoptive Family Support Network shall submit to the  
21 senate and house appropriations subcommittees on the department  
22 budget, the senate and house fiscal agencies, the senate and house  
23 policy offices, and the state budget office by March 1 of the  
24 current fiscal year a report on the program described in subsection  
25 (1), including, but not limited to, the number of cases served and  
26 the number of cases in which the program prevented an out-of-home  
27 placement.



1           Sec. 562. The department shall provide time and travel  
2 reimbursements for foster parents who transport a foster child to  
3 parent-child visitations. As part of the foster care parent  
4 contract, the department shall provide written confirmation to  
5 foster parents that states that the foster parents have the right  
6 to request these reimbursements for all parent-child visitations.  
7 The department shall provide these reimbursements within 60 days of  
8 receiving a request for eligible reimbursements from a foster  
9 parent.

10           Sec. 567. The department shall submit to the senate and house  
11 appropriations subcommittees on the department budget, the senate  
12 and house fiscal agencies, the senate and house policy offices, and  
13 the state budget office by March 1 of the current fiscal year a  
14 report on completion of medical passports for children in foster  
15 care, including the following:

16           (a) The percentage of medical passports that were properly  
17 filled out.

18           (b) From the total medical passports transferred, the  
19 percentage that transferred within 2 weeks from the date of  
20 placement or return to the home.

21           (c) From the total school records, the percentage that  
22 transferred within 2 weeks from the date of placement or return to  
23 the home.

24           (d) The implementation steps that have been taken to improve  
25 the outcomes for the measures in subdivisions (a) and (b).

26           Sec. 574. (1) From the funds appropriated in part 1 for foster  
27 care payments, \$2,500,000.00 is allocated to support performance-



1 based contracts with child placing agencies to facilitate the  
2 licensure of relative caregivers as foster parents. Agencies shall  
3 receive \$2,300.00 for each facilitated licensure if completed  
4 within 180 days after a child's placement or, if a waiver was  
5 previously approved, 180 days from the application date. If the  
6 facilitated licensure, or approved waiver, is completed after 180  
7 days, the agency shall receive up to \$2,300.00. The agency  
8 facilitating the licensure would retain the placement and continue  
9 to provide case management services for at least 50% of the newly  
10 licensed cases for which the placement was appropriate to the  
11 agency. Up to 50% of the newly licensed cases would have direct  
12 foster care services provided by the department.

13 (2) From the funds appropriated for foster care payments,  
14 \$375,000.00 is allocated to support family incentive grants to  
15 private and community-based foster care service providers to assist  
16 with home improvements or payment for physical exams for applicants  
17 needed by foster families to accommodate foster children.

18 Sec. 583. By March 1 of the current fiscal year, the  
19 department shall provide to the senate and house appropriations  
20 subcommittees on the department budget, the senate and house  
21 standing committees on families and human services, the senate and  
22 house fiscal agencies and policy offices, and the state budget  
23 office a report that includes:

24 (a) The number and percentage of foster parents that dropped  
25 out of the program in the previous fiscal year and the reasons the  
26 foster parents left the program and how those figures compare to  
27 prior fiscal years.



1 (b) The number and percentage of foster parents successfully  
2 retained in the previous fiscal year and how those figures compare  
3 to prior fiscal years.

4 Sec. 585. The department shall make available at least 1 pre-  
5 service training class each month in which new caseworkers for  
6 private foster care and adoption agencies can enroll.

7 Sec. 588. (1) Concurrently with public release, the department  
8 shall transmit all reports from the court-appointed settlement  
9 monitor, including, but not limited to, the needs assessment and  
10 period outcome reporting, to the state budget office, the senate  
11 and house appropriations subcommittees on the department budget,  
12 and the senate and house fiscal agencies and policy offices,  
13 without revision.

14 (2) The department shall report quarterly to the state budget  
15 office, the senate and house appropriations subcommittees on the  
16 department budget, the senate and house fiscal agencies, and the  
17 senate and house policy offices on the number of children enrolled  
18 in the guardianship assistance and foster care - children with  
19 serious emotional disturbance waiver programs.

20 Sec. 589. On a monthly basis, the department shall report on  
21 the number of all foster care cases administered by the department  
22 and all foster care cases administered by private providers.

23 Sec. 593. The department may allow residential service  
24 providers for child abuse and child neglect cases to implement a  
25 staff ratio during working hours of 1 staff to 5 children.

26 Sec. 594. From the funds appropriated in part 1 for foster  
27 care payments, the department shall support regional resource teams



1 to provide for the recruitment, retention, and training of foster  
2 and adoptive parents and shall expand the Michigan youth  
3 opportunities initiative to all Michigan counties. The purpose of  
4 this investment is to increase the number of annual inquiries from  
5 prospective foster parents, increase the number of nonrelative  
6 foster homes that achieve licensure each year, increase the annual  
7 retention rate of nonrelative foster homes, reduce the number of  
8 older foster youth placed outside of family settings, and provide  
9 older youth with enhanced support in transitioning to adulthood.

#### 10 **PUBLIC ASSISTANCE**

11 Sec. 601. Whenever a client agrees to the release of his or  
12 her name and address to the local housing authority, the department  
13 shall request from the local housing authority information  
14 regarding whether the housing unit for which vendoring has been  
15 requested meets applicable local housing codes. Vendoring shall be  
16 terminated for those units that the local authority indicates in  
17 writing do not meet local housing codes until such time as the  
18 local authority indicates in writing that local housing codes have  
19 been met.

20 Sec. 604. (1) The department shall operate a state disability  
21 assistance program. Except as provided in subsection (3), persons  
22 eligible for this program shall include needy citizens of the  
23 United States or aliens exempted from the supplemental security  
24 income citizenship requirement who are at least 18 years of age or  
25 emancipated minors meeting 1 or more of the following requirements:

26 (a) A recipient of supplemental security income, social



1 security, or medical assistance due to disability or 65 years of  
2 age or older.

3 (b) A person with a physical or mental impairment that meets  
4 federal supplemental security income disability standards, except  
5 that the minimum duration of the disability shall be 90 days.  
6 Substance use disorder alone is not defined as a basis for  
7 eligibility.

8 (c) A resident of an adult foster care facility, a home for  
9 the aged, a county infirmary, or a substance use disorder treatment  
10 center.

11 (d) A person receiving 30-day postresidential substance use  
12 disorder treatment.

13 (e) A person diagnosed as having acquired immunodeficiency  
14 syndrome.

15 (f) A person receiving special education services through the  
16 local intermediate school district.

17 (g) A caretaker of a disabled person who meets the  
18 requirements specified in subdivision (a), (b), (e), or (f).

19 (2) Applicants for and recipients of the state disability  
20 assistance program shall be considered needy if they:

21 (a) Meet the same asset test as is applied for the family  
22 independence program.

23 (b) Have a monthly budgetable income that is less than the  
24 payment standards.

25 (3) Except for a person described in subsection (1)(c) or (d),  
26 a person is not disabled for purposes of this section if his or her  
27 drug addiction or alcoholism is a contributing factor material to



1 the determination of disability. "Material to the determination of  
2 disability" means that, if the person stopped using drugs or  
3 alcohol, his or her remaining physical or mental limitations would  
4 not be disabling. If his or her remaining physical or mental  
5 limitations would be disabling, then the drug addiction or  
6 alcoholism is not material to the determination of disability and  
7 the person may receive state disability assistance. Such a person  
8 must actively participate in a substance abuse treatment program,  
9 and the assistance must be paid to a third party or through vendor  
10 payments. For purposes of this section, substance abuse treatment  
11 includes receipt of inpatient or outpatient services or  
12 participation in alcoholics anonymous or a similar program.

13 Sec. 605. The level of reimbursement provided to state  
14 disability assistance recipients in licensed adult foster care  
15 facilities shall be the same as the prevailing supplemental  
16 security income rate under the personal care category.

17 Sec. 606. County department offices shall require each  
18 recipient of family independence program and state disability  
19 assistance who has applied with the social security administration  
20 for supplemental security income to sign a contract to repay any  
21 assistance rendered through the family independence program or  
22 state disability assistance program upon receipt of retroactive  
23 supplemental security income benefits.

24 Sec. 607. (1) The department's ability to satisfy  
25 appropriation deductions in part 1 for state disability  
26 assistance/supplemental security income recoveries and public  
27 assistance recoupment revenues shall not be limited to recoveries



1 and accruals pertaining to state disability assistance, or family  
2 independence assistance grant payments provided only in the current  
3 fiscal year, but may include revenues collected during the current  
4 year that are prior year related and not a part of the department's  
5 accrued entries.

6 (2) The department may use supplemental security income  
7 recoveries to satisfy the deduct in any line in which the revenues  
8 are appropriated, regardless of the source from which the revenue  
9 is recovered.

10 Sec. 608. Adult foster care facilities providing domiciliary  
11 care or personal care to residents receiving supplemental security  
12 income or homes for the aged serving residents receiving  
13 supplemental security income shall not require those residents to  
14 reimburse the home or facility for care at rates in excess of those  
15 legislatively authorized. To the extent permitted by federal law,  
16 adult foster care facilities and homes for the aged serving  
17 residents receiving supplemental security income shall not be  
18 prohibited from accepting third-party payments in addition to  
19 supplemental security income if the payments are not for food,  
20 clothing, shelter, or result in a reduction in the recipient's  
21 supplemental security income payment.

22 Sec. 609. The state supplementation level under the  
23 supplemental security income program for the personal care/adult  
24 foster care and home for the aged categories shall not be reduced  
25 during the current fiscal year. The legislature shall be notified  
26 not less than 30 days before any proposed reduction in the state  
27 supplementation level.



1           Sec. 610. (1) In developing good cause criteria for the state  
2 emergency relief program, the department shall grant exemptions if  
3 the emergency resulted from unexpected expenses related to  
4 maintaining or securing employment.

5           (2) For purposes of determining housing affordability  
6 eligibility for state emergency relief, a group is considered to  
7 have sufficient income to meet ongoing housing expenses if their  
8 total housing obligation does not exceed 75% of their total net  
9 income.

10          (3) State emergency relief payments shall not be made to  
11 individuals who have been found guilty of fraud in regard to  
12 obtaining public assistance.

13          (4) State emergency relief payments shall not be made  
14 available to persons who are out-of-state residents or illegal  
15 immigrants.

16          (5) State emergency relief payments for rent assistance shall  
17 be distributed directly to landlords and shall not be added to  
18 Michigan bridge cards.

19          Sec. 611. The state supplementation level under the  
20 supplemental security income program for the living independently  
21 or living in the household of another categories shall not exceed  
22 the minimum state supplementation level as required under federal  
23 law or regulations.

24          Sec. 613. (1) The department shall provide reimbursements for  
25 the final disposition of indigent persons. The reimbursements shall  
26 include the following:

27          (a) The maximum allowable reimbursement for the final



1 disposition is \$800.00.

2 (b) The adult burial with services allowance is \$725.00.

3 (c) The adult burial without services allowance is \$490.00.

4 (d) The infant burial allowance is \$170.00.

5 (2) Reimbursement for a cremation permit fee of up to \$75.00  
6 and for mileage at the standard rate will be made available for an  
7 eligible cremation. The reimbursements under this section shall  
8 take into consideration religious preferences that prohibit  
9 cremation.

10 Sec. 614. The department shall report to the senate and house  
11 of representatives appropriations subcommittees on the department  
12 budget, the senate and house fiscal agencies, and the senate and  
13 house policy offices by January 15 of the current fiscal year on  
14 the number and percentage of state disability assistance recipients  
15 who were determined to be eligible for federal supplemental  
16 security income benefits in the previous fiscal year.

17 Sec. 615. Except as required by federal law or regulations,  
18 funds appropriated in part 1 shall not be used to provide public  
19 assistance to a person who is an illegal alien. This section shall  
20 not prohibit the department from entering into contracts with food  
21 banks, emergency shelter providers, or other human services  
22 agencies who may, as a normal part of doing business, provide food  
23 or emergency shelter.

24 Sec. 616. The department shall require retailers that  
25 participate in the electronic benefits transfer program to charge  
26 no more than \$2.50 in fees for cash back as a condition of  
27 participation.



1           Sec. 619. (1) Subject to subsection (2), the department shall  
2 exempt from the denial of title IV-A assistance and food assistance  
3 benefits under 21 USC 862a any individual who has been convicted of  
4 a felony that included the possession, use, or distribution of a  
5 controlled substance, after August 22, 1996, if the individual is  
6 not in violation of his or her probation or parole requirements.  
7 Benefits shall be provided to such individuals as follows:

8           (a) A third-party payee or vendor shall be required for any  
9 cash benefits provided.

10           (b) An authorized representative shall be required for food  
11 assistance receipt.

12           (2) Subject to federal approval, an individual is not entitled  
13 to the exemption in this section if the individual was convicted in  
14 2 or more separate cases of a felony that included the possession,  
15 use, or distribution of a controlled substance after August 22,  
16 1996.

17           Sec. 620. (1) The department shall make a determination of  
18 Medicaid eligibility not later than 90 days if disability is an  
19 eligibility factor. For all other Medicaid applicants, including  
20 patients of a nursing home, the department shall make a  
21 determination of Medicaid eligibility within 45 days of  
22 application.

23           (2) The department shall report on a quarterly basis to the  
24 senate and house appropriations subcommittees on the department  
25 budget, the senate and house standing committees on families and  
26 human services, the senate and house fiscal agencies, the senate  
27 and house policy offices, and the state budget office on the



1 average Medicaid eligibility standard of promptness for each of the  
2 required standards of promptness under subsection (1) and for  
3 medical review team reviews achieved statewide and at each local  
4 office.

5       Sec. 645. An individual or family is considered homeless, for  
6 purposes of eligibility for state emergency relief, if living  
7 temporarily with others in order to escape domestic violence. For  
8 purposes of this section, domestic violence is defined and verified  
9 in the same manner as in the department's policies on good cause  
10 for not cooperating with child support and paternity requirements.

11       Sec. 650. The department shall apply the food assistance  
12 eligibility requirements as prescribed in 7 CFR 273.24(a) to (d) on  
13 a statewide basis for the fiscal year beginning October 1, 2017.

14       Sec. 651. (1) From the funds appropriated in part 1, the  
15 department shall allocate up to \$1,500,000.00 to Michigan State  
16 University (MSU) Extension for the Michigan corner store  
17 initiative. Funds provided for the Michigan corner store initiative  
18 shall be used to provide grants to small food retailers to increase  
19 the availability and sales of fresh and nutritious food in low- and  
20 moderate-income areas of the state. In determining qualified  
21 projects to fund, the MSU Extension shall consider the level of  
22 need in the area to be served. The MSU Extension shall report  
23 annually to the department on the projects funded, the geographic  
24 distribution of the projects, the costs of the program, and the  
25 outcomes, including the number and type of jobs created and health  
26 impacts associated with the program. The department shall provide  
27 the annual report described in this section to the house and senate



1 appropriations subcommittees on the department budget, the house  
2 and senate fiscal agencies, and the house and senate policy  
3 offices. To qualify, grant applicants must do all of the following:

4 (a) Be a small food retailer.

5 (b) Be located in a low- or moderate-income area.

6 (c) Accept or agree to accept, as a condition of receiving  
7 assistance, food assistance program benefits.

8 (d) Agree to apply to accept special supplemental nutrition  
9 program for women, infants, and children (WIC) benefits and accept  
10 WIC benefits, if eligible.

11 (e) Agree to abide by the conditions for receiving assistance.

12 (f) Collect and provide data and other information required by  
13 the department and MSU Extension for monitoring, accountability,  
14 and evaluation purposes.

15 (2) Grant money disbursed under the Michigan corner store  
16 initiative may be used for the following purposes:

17 (a) Salary and associated costs of employees or contractors  
18 providing education, advice, or other assistance on food safety and  
19 handling, nutrition education, business operations, and promotion  
20 to small food retailers.

21 (b) Refrigeration, display shelving, or other equipment for  
22 small food retailers necessary for stocking healthy foods and fresh  
23 produce, at a cost of less than \$5,000.00 per retailer.

24 (c) Materials and supplies for nutrition education and healthy  
25 food promotion.

26 (d) Mini-grants to retailers of no more than \$100.00 per  
27 retailer to meet initial expenses incurred with participation in



1 the program.

2       Sec. 652. (1) The department shall monitor the status of the  
3 waiver request dated February 17, 2017 from the state of Maine to  
4 the USDA to waive specific SNAP regulations so that Maine can  
5 exempt sugar-sweetened beverages and candy from purchase with SNAP  
6 benefits.

7       (2) The department shall immediately report to the house and  
8 senate appropriations subcommittees on the department budget, the  
9 house and senate fiscal agencies, and the house and senate policy  
10 offices if the waiver described in subsection (1) receives federal  
11 approval.

12       (3) If the waiver described in subsection (1) receives federal  
13 approval, the department shall prepare and submit a similar waiver  
14 for the state of Michigan to the USDA to waive the federal  
15 statutory requirements in section 2012(k), 7 USC 2012 and in 7 CFR  
16 271.2 regarding the SNAP program so that this state can exempt  
17 sugar-sweetened beverages and candy from purchase with SNAP  
18 benefits that are distributed through the state food assistance  
19 program.

20       (4) The department shall report to the house and senate  
21 appropriations subcommittees on the department budget, the house  
22 and senate fiscal agencies, and the house and senate policy offices  
23 if a waiver described in subsection (3) is submitted to the USDA.

24       Sec. 653. From the funds appropriated in part 1 for food  
25 assistance, an individual who is the victim of domestic violence  
26 and does not qualify for any other exemption may be exempt from the  
27 3-month in 36-month limit on receiving food assistance under 7 USC



1 2015. This exemption can be extended an additional 3 months upon  
2 demonstration of continuing need.

3       Sec. 654. The department shall notify recipients of food  
4 assistance program benefits that their benefits can be spent with  
5 their bridge cards at many farmers' markets in the state. The  
6 department shall also notify recipients about the Double Up Food  
7 Bucks program that is administered by the Fair Food Network.  
8 Recipients shall receive information about the Double Up Food Bucks  
9 program, including information that when the recipient spends  
10 \$20.00 at participating farmers' markets through the program, the  
11 recipient can receive an additional \$20.00 to buy Michigan produce.

12       Sec. 655. Within 14 days after the spending plan for low-  
13 income home energy assistance program is approved by the state  
14 budget office, the department shall provide the spending plan,  
15 including itemized projected expenditures, to the chairpersons of  
16 the senate and house appropriations subcommittees on the department  
17 budget, the senate and house fiscal agencies, the senate and house  
18 policy offices, and the state budget office.

19       Sec. 660. From the funds appropriated in part 1 for Food Bank  
20 Council of Michigan, the department is authorized to make  
21 allocations of TANF funds only to the agencies that report  
22 necessary data to the department for the purpose of meeting TANF  
23 eligibility reporting requirements. The agencies that do not report  
24 necessary data to the department for the purpose of meeting TANF  
25 eligibility reporting requirements will not receive allocations in  
26 excess of those received in fiscal year 2000. The use of TANF funds  
27 under this section is not an ongoing commitment of funding.



1           Sec. 669. The department shall allocate \$7,170,000.00 for the  
2 annual clothing allowance. The allowance shall be granted to all  
3 eligible children in a family independence program group.

4           Sec. 672. (1) The department's office of inspector general  
5 shall report to the senate and house of representatives  
6 appropriations subcommittees on the department budget, the senate  
7 and house fiscal agencies, and the senate and house policy offices  
8 by February 15 of the current fiscal year on department efforts to  
9 reduce inappropriate use of Michigan bridge cards. The department  
10 shall provide information on the number of recipients of services  
11 who used their electronic benefit transfer card inappropriately and  
12 the current status of each case, the number of recipients whose  
13 benefits were revoked, whether permanently or temporarily, as a  
14 result of inappropriate use, and the number of retailers that were  
15 fined or removed from the electronic benefit transfer program for  
16 permitting inappropriate use of the cards.

17           (2) As used in this section, "inappropriate use" means not  
18 used to meet a family's ongoing basic needs, including food,  
19 clothing, shelter, utilities, household goods, personal care items,  
20 and general incidentals.

21           Sec. 677. (1) The department shall establish a state goal for  
22 the percentage of family independence program cases involved in  
23 employment activities. The percentage established shall not be less  
24 than 50%. The goal for long-term employment shall be 15% of cases  
25 for 6 months or more.

26           (2) On a quarterly basis, the department shall report to the  
27 senate and house appropriations subcommittees on the department



1 budget, the senate and house fiscal agencies and policy offices,  
2 and the state budget director on the number of cases referred to  
3 Partnership. Accountability. Training. Hope. (PATH), the current  
4 percentage of family independence program cases involved in PATH  
5 employment activities, an estimate of the current percentage of  
6 family independence program cases that meet federal work  
7 participation requirements on the whole, and an estimate of the  
8 current percentage of the family independence program cases that  
9 meet federal work participation requirements for those cases  
10 referred to PATH.

11 (3) The department shall submit to the senate and house  
12 appropriations subcommittees on the department budget, the senate  
13 and house fiscal agencies, the senate and house policy offices, and  
14 the state budget office a quarterly report that includes all of the  
15 following:

16 (a) The number and percentage of nonexempt family independence  
17 program recipients who are employed.

18 (b) The average and range of wages of employed family  
19 independence program recipients.

20 (c) The number and percentage of employed family independence  
21 program recipients who remain employed for 6 months or more.

22 Sec. 686. (1) The department shall ensure that program policy  
23 requires caseworkers to confirm that individuals presenting  
24 personal identification issued by another state seeking assistance  
25 through the family independence program, food assistance program,  
26 state disability assistance program, or medical assistance program  
27 are not receiving benefits from any other state.



1 (2) The department shall require caseworkers to confirm the  
2 address provided by any individual seeking family independence  
3 program benefits or state disability assistance benefits.

4 (3) The department shall prohibit individuals with property  
5 assets assessed at a value higher than \$200,000.00 from accessing  
6 assistance through department-administered programs, unless such a  
7 prohibition would violate federal rules and guidelines.

8 (4) The department shall require caseworkers to obtain an up-  
9 to-date telephone number during the eligibility determination or  
10 redetermination process for individuals seeking medical assistance  
11 benefits.

12 Sec. 687. (1) The department shall, on a quarterly basis by  
13 February 1, May 1, August 1, and November 1, compile and make  
14 available on its website all of the following information about the  
15 family independence program, state disability assistance, the food  
16 assistance program, Medicaid, and state emergency relief:

17 (a) The number of applications received.

18 (b) The number of applications approved.

19 (c) The number of applications denied.

20 (d) The number of applications pending and neither approved  
21 nor denied.

22 (e) The number of cases opened.

23 (f) The number of cases closed.

24 (g) The number of cases at the beginning of the quarter and  
25 the number of cases at the end of the quarter.

26 (2) The information provided under subsection (1) shall be  
27 compiled and made available for the state as a whole and for each



1 county and reported separately for each program listed in  
2 subsection (1).

3 (3) The department shall, on a quarterly basis by February 1,  
4 May 1, August 1, and November 1, compile and make available on its  
5 website the family independence program information listed as  
6 follows:

7 (a) The number of new applicants who successfully met the  
8 requirements of the 21-day assessment period for PATH.

9 (b) The number of new applicants who did not meet the  
10 requirements of the 21-day assessment period for PATH.

11 (c) The number of cases sanctioned because of the school  
12 truancy policy.

13 (d) The number of cases closed because of the 48-month and 60-  
14 month lifetime limits.

15 (e) The number of first-, second-, and third-time sanctions.

16 (f) The number of children ages 0-5 living in FIP-sanctioned  
17 households.

18 Sec. 688. From the funds appropriated in part 1 for the low-  
19 income home energy assistance program, up to \$6,766,800.00 of  
20 federal funding shall be allocated to provide an additional \$20.01  
21 payment to food assistance program cases that are not currently  
22 eligible for the standard utility allowance to enable these cases  
23 to receive expanded food assistance benefits through the program  
24 commonly known as the heat and eat program.

25 **CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE**

26 Sec. 706. Counties shall be subject to 50% chargeback for the



1 use of alternative regional detention services, if those detention  
2 services do not fall under the basic provision of section 117e of  
3 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county  
4 operates those detention services programs primarily with  
5 professional rather than volunteer staff.

6       Sec. 707. In order to be reimbursed for child care fund  
7 expenditures, counties are required to submit department-developed  
8 reports to enable the department to document potential federally  
9 claimable expenditures. This requirement is in accordance with the  
10 reporting requirements specified in section 117a(7) of the social  
11 welfare act, 1939 PA 280, MCL 400.117a.

12       Sec. 708. (1) As a condition of receiving funds appropriated  
13 in part 1 for the child care fund line item, by December 15 of the  
14 current fiscal year, counties shall have an approved service  
15 spending plan for the current fiscal year. Counties must submit the  
16 service spending plan to the department by October 1 of the current  
17 fiscal year for approval. Upon submission of the county service  
18 spending plan, the department shall approve within 30 calendar days  
19 after receipt of a properly completed service plan that complies  
20 with the requirements of the social welfare act, 1939 PA 280, MCL  
21 400.1 to 400.119b. The department shall notify and submit county  
22 service spending plan revisions to any county whose county service  
23 spending plan is not accepted upon initial submission. The  
24 department shall not request any additional revisions to a county  
25 service spending plan outside of the requested revision  
26 notification submitted to the county by the department. The  
27 department shall notify a county within 30 days after approval that



1 its service plan was approved.

2 (2) The department shall submit a report to the house and  
3 senate appropriations subcommittees on the department budget, the  
4 house and senate fiscal agencies, the house and senate policy  
5 offices, and the state budget office by February 15 of the current  
6 fiscal year on the number of counties that fail to submit a service  
7 spending plan by October 1 and the number of service spending plans  
8 not approved by December 15. The report shall include the number of  
9 county service spending plans that were not approved as first  
10 submitted by the counties, as well as the number of plans that were  
11 not approved by the department after being resubmitted by the  
12 county with the first revisions that were requested by the  
13 department.

14 Sec. 709. The department's master contract for juvenile  
15 justice residential foster care services shall be amended to  
16 prohibit contractors from denying a referral for placement of a  
17 youth, or terminating a youth's placement, if the youth's assessed  
18 treatment needs are in alignment with the facility's residential  
19 program type, as identified by the court or the department. In  
20 addition, the master contract shall require that youth placed in  
21 juvenile justice residential foster care facilities must have  
22 regularly scheduled treatment sessions with a licensed psychologist  
23 or psychiatrist, or both, and access to the licensed psychologist  
24 or psychiatrist as needed.

25 Sec. 721. If the demand for placements at state-operated  
26 juvenile justice residential facilities exceeds capacity, the  
27 department shall not increase the available occupancy or services



1 at the facilities, and shall post a request for proposals for a  
2 contract with not less than 1 private provider of residential  
3 services for juvenile justice youth to be a residential facility of  
4 last resort.

5 **FIELD OPERATIONS AND SUPPORT SERVICES**

6 Sec. 801. (1) Funds appropriated in part 1 for independent  
7 living shall be used to support the general operations of centers  
8 for independent living in delivering mandated independent living  
9 services in compliance with federal rules and regulations for the  
10 centers, by existing centers for independent living to serve  
11 underserved areas, and for projects to build the capacity of  
12 centers for independent living to deliver independent living  
13 services. Applications for the funds shall be reviewed in  
14 accordance with criteria and procedures established by the  
15 department. The funds appropriated in part 1 may be used to  
16 leverage federal vocational rehabilitation innovation and expansion  
17 funds consistent with 34 CFR 361.35 up to \$5,543,000.00, if  
18 available. If the possibility of matching federal funds exists, the  
19 centers for independent living network will negotiate a mutually  
20 beneficial contractual arrangement with Michigan rehabilitation  
21 services. Funds shall be used in a manner consistent with the state  
22 plan for independent living. Services provided should assist people  
23 with disabilities to move toward self-sufficiency, including  
24 support for accessing transportation and health care, obtaining  
25 employment, community living, nursing home transition, information  
26 and referral services, education, youth transition services,



1 veterans, and stigma reduction activities and community education.  
2 This includes the independent living guide project that  
3 specifically focuses on economic self-sufficiency.

4 (2) The Michigan centers for independent living shall provide  
5 a report by March 1 of the current fiscal year to the house and  
6 senate appropriations subcommittees on the department budget, the  
7 house and senate fiscal agencies, the house and senate policy  
8 offices, and the state budget office on direct customer and system  
9 outcomes and performance measures.

10 Sec. 802. The Michigan rehabilitation services shall work  
11 collaboratively with the bureau of services for blind persons,  
12 service organizations, and government entities to identify  
13 qualified match dollars to maximize use of available federal  
14 vocational rehabilitation funds.

15 Sec. 803. The department shall provide an annual report by  
16 February 1 to the house and senate appropriations subcommittees on  
17 the department budget, the house and senate fiscal agencies, the  
18 house and senate policy offices, and the state budget office on  
19 efforts taken to improve the Michigan rehabilitation services. The  
20 report shall include all of the following items:

21 (a) Reductions and changes in administration costs and  
22 staffing.

23 (b) Service delivery plans and implementation steps achieved.

24 (c) Reorganization plans and implementation steps achieved.

25 (d) Plans to integrate Michigan rehabilitative services  
26 programs into other services provided by the department.

27 (e) Quarterly expenditures by major spending category.



1 (f) Employment and job retention rates from both Michigan  
2 rehabilitation services and its nonprofit partners.

3 (g) Success rate of each district in achieving the program  
4 goals.

5 Sec. 804. From the funds appropriated in part 1 for Michigan  
6 rehabilitation services, the department shall allocate \$50,000.00  
7 along with available federal match to support the provision of  
8 vocational rehabilitation services to eligible agricultural workers  
9 with disabilities. Authorized services shall assist agricultural  
10 workers with disabilities in acquiring or maintaining quality  
11 employment and independence.

12 Sec. 805. It is the intent of the legislature that Michigan  
13 rehabilitation services shall not implement an order of selection  
14 for vocational and rehabilitative services. If the department is at  
15 risk of entering into an order of selection for services, the  
16 department shall notify the chairs of the senate and house  
17 subcommittees on the department budget and the senate and house  
18 fiscal agencies and policy offices within 2 weeks of receiving  
19 notification.

20 Sec. 806. From the funds appropriated in part 1 for Michigan  
21 rehabilitation services, the department shall allocate  
22 \$6,100,300.00, including federal matching funds, to service  
23 authorizations with community-based rehabilitation organizations  
24 for an array of needed services throughout the rehabilitation  
25 process.

26 Sec. 807. From the funds appropriated in part 1 for Elder Law  
27 of Michigan MiCAFE contract, the department shall allocate not less



1 than \$350,000.00 to the Elder Law of Michigan MiCAFE to assist this  
2 state's elderly population in participating in the food assistance  
3 program. Of the \$350,000.00 allocated under this section, the  
4 department shall use \$175,000.00, which are general fund/general  
5 purpose funds, as state matching funds for not less than  
6 \$175,000.00 in United States Department of Agriculture funding to  
7 provide outreach program activities, such as eligibility screening  
8 and information services, as part of a statewide food assistance  
9 hotline.

10 Sec. 825. From the funds appropriated in part 1, the  
11 department shall provide individuals not more than \$500.00 for  
12 vehicle repairs, including any repairs done in the previous 12  
13 months. However, the department may in its discretion pay for  
14 repairs up to \$900.00. Payments under this section shall include  
15 the combined total of payments made by the department and work  
16 participation program.

17 Sec. 850. (1) The department shall maintain out-stationed  
18 eligibility specialists in community-based organizations, community  
19 mental health agencies, nursing homes, adult placement and  
20 independent living settings, federally qualified health centers,  
21 and hospitals unless a community-based organization, community  
22 mental health agency, nursing home, adult placement and independent  
23 living setting, federally qualified health centers, or hospital  
24 requests that the program be discontinued at its facility.

25 (2) From the funds appropriated in part 1 for donated funds  
26 positions, the department shall enter into contracts with agencies  
27 that are able and eligible under federal law to provide the



1 required matching funds for federal funding, as determined by  
2 federal statute and regulations.

3 (3) A contract for an assistance payments donated funds  
4 position must include, but not be limited to, the following  
5 performance metrics:

6 (a) Meeting a standard of promptness for processing  
7 applications for Medicaid and other public assistance programs  
8 under state law.

9 (b) Meeting required standards for error rates in determining  
10 programmatic eligibility as determined by the department.

11 (4) The department shall only fill additional donated funds  
12 positions after a new contract has been signed. That position shall  
13 also be abolished when the contract expires or is terminated.

14 (5) The department shall classify as limited-term FTEs any new  
15 employees who are hired to fulfill the donated funds position  
16 contracts or are hired to fill any vacancies from employees who  
17 transferred to a donated funds position.

18 (6) By March 1 of the current fiscal year, the department  
19 shall submit a report to the senate and house appropriations  
20 subcommittees on the department budget, the senate and house fiscal  
21 agencies and policy offices, and the state budget office detailing  
22 information on the donated funds positions, including the total  
23 number of occupied positions, the total private contribution of the  
24 positions, and the total cost to the state for any nonsalary  
25 expenditure for the donated funds position employees.

26 Sec. 851. From the funds appropriated in part 1 for adult  
27 services field staff, the department shall improve staffing ratios



1 in adult protective services programs with the goal of reducing the  
2 number of older adults who are victims of crime and fraud. The  
3 purpose of the staffing enhancement is to increase standard of  
4 promptness by 90% or above in every county, as measured by  
5 commencing an investigation within 24 hours, establishing face-to-  
6 face contact with the client within 72 hours, and completing the  
7 investigation within 30 days.

8       Sec. 852. The 29 additional FTE authorizations in part 1 added  
9 to the public assistance field staff line item in the current  
10 fiscal year shall be allocated to support the pathways to potential  
11 program to provide additional staff in schools.

## 12 **BEHAVIORAL HEALTH SERVICES**

13       Sec. 901. Funds appropriated in part 1 are intended to support  
14 a system of comprehensive community mental health services under  
15 the full authority and responsibility of local CMHSPs or PIHPs in  
16 accordance with the mental health code, 1974 PA 258, MCL 330.1001  
17 to 330.2106, the Medicaid provider manual, federal Medicaid  
18 waivers, and all other applicable federal and state laws.

19       Sec. 902. (1) From funds appropriated in part 1, final  
20 authorizations to CMHSPs or PIHPs shall be made upon the execution  
21 of contracts between the department and CMHSPs or PIHPs. The  
22 contracts shall contain an approved plan and budget as well as  
23 policies and procedures governing the obligations and  
24 responsibilities of both parties to the contracts. Each contract  
25 with a CMHSP or PIHP that the department is authorized to enter  
26 into under this subsection shall include a provision that the



1 contract is not valid unless the total dollar obligation for all of  
2 the contracts between the department and the CMHSPs or PIHPs  
3 entered into under this subsection for the current fiscal year does  
4 not exceed the amount of money appropriated in part 1 for the  
5 contracts authorized under this subsection.

6 (2) The department shall immediately report to the senate and  
7 house appropriations subcommittees on the department budget, the  
8 senate and house fiscal agencies, and the state budget director if  
9 either of the following occurs:

10 (a) Any new contracts the department has entered into with  
11 CMHSPs or PIHPs that would affect rates or expenditures.

12 (b) Any amendments to contracts the department has entered  
13 into with CMHSPs or PIHPs that would affect rates or expenditures.

14 (3) The report required by subsection (2) shall include  
15 information about the changes and their effects on rates and  
16 expenditures.

17 Sec. 904. (1) Not later than May 31 of the current fiscal  
18 year, the department shall provide a report on the CMHSPs, PIHPs,  
19 regional entities designated by the department as PIHPs, and  
20 managing entities for substance use disorders to the members of the  
21 house and senate appropriations subcommittees on the department  
22 budget, the house and senate fiscal agencies, and the state budget  
23 director that includes the information required by this section.

24 (2) The report shall contain information for each CMHSP, PIHP,  
25 regional entity designated by the department as a PIHP, and  
26 managing entity for substance use disorders and a statewide  
27 summary, each of which shall include at least the following



1 information:

2 (a) A demographic description of service recipients that,  
3 minimally, shall include reimbursement eligibility, client  
4 population, age, ethnicity, housing arrangements, and diagnosis.

5 (b) Per capita expenditures in total and by client population  
6 group and ethnic groups of the services area, including the deaf  
7 and hard of hearing population.

8 (c) Expenditures stratified by department-designated community  
9 mental health entity, by central diagnosis and referral agency, by  
10 fund source, by subcontractor, by population served, and by service  
11 type. Additionally, data on administrative expenditures by  
12 department-designated community mental health entity shall be  
13 reported.

14 (d) Expenditures per state client, with data on the  
15 distribution of expenditures reported using a histogram approach.

16 (e) Number of services provided by central diagnosis and  
17 referral agency, by subcontractor, and by service type.  
18 Additionally, data on length of stay, referral source, and  
19 participation in other state programs.

20 (f) Collections from other first- or third-party payers,  
21 private donations, or other state or local programs, by department-  
22 designated community mental health entity, by subcontractor, by  
23 population served, and by service type.

24 (g) Data describing service outcomes that include, but are not  
25 limited to, an evaluation of consumer satisfaction, consumer  
26 choice, and quality of life concerns including, but not limited to,  
27 housing and employment.



1 (h) Information about access to CMHSPs that includes, but is  
2 not limited to, the following:

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

4 (ii) The number of people who requested services but did not  
5 receive services.

6 (iii) The number of second opinions requested under the code  
7 and the determination of any appeals.

8 (i) Lapses and carryforwards during the immediately preceding  
9 fiscal year for CMHSPs, PIHPs, regional entities designated by the  
10 department as PIHPs, and managing entities for substance use  
11 disorders.

12 (j) Performance indicator information required to be submitted  
13 to the department in the contracts with CMHSPs, PIHPs, regional  
14 entities designated by the department as PIHPs, and managing  
15 entities for substance use disorders.

16 (k) Administrative expenditures of each CMHSP, PIHP, regional  
17 entity designated by the department as a PIHP, and managing entity  
18 for substance use disorders that includes a breakout of the salary,  
19 benefits, and pension of each executive level staff and shall  
20 include the director, chief executive, and chief operating officers  
21 and other members identified as executive staff.

22 (3) The department shall include data reporting requirements  
23 listed in subsection (2) in the annual contract with each  
24 individual CMHSP, PIHP, regional entity designated by the  
25 department as a PIHP, and managing entity for substance use  
26 disorders.

27 (4) The department shall take all reasonable actions to ensure



1 that the data required are complete and consistent among all  
2 CMHSPs, PIHPs, regional entities designated by the department as  
3 PIHPs, and managing entities for substance use disorders.

4       Sec. 905. (1) From the funds appropriated in part 1 for  
5 behavioral health program administration, the department shall  
6 maintain a psychiatric transitional unit and children's behavioral  
7 action team. These services will augment the continuum of  
8 behavioral health services for high-need youth and provide  
9 additional continuity of care and transition into supportive  
10 community-based services.

11       (2) Outcomes and performance measures for this initiative  
12 include, but are not limited to, the following:

13       (a) The rate of rehospitalization for youth served through the  
14 program at 30 and 180 days.

15       (b) Measured change in the Child and Adolescent Functional  
16 Assessment Scale for children served through the program.

17       Sec. 906. (1) The funds appropriated in part 1 for the state  
18 disability assistance substance use disorder services program shall  
19 be used to support per diem room and board payments in substance  
20 use disorder residential facilities. Eligibility of clients for the  
21 state disability assistance substance use disorder services program  
22 shall include needy persons 18 years of age or older, or  
23 emancipated minors, who reside in a substance use disorder  
24 treatment center.

25       (2) The department shall reimburse all licensed substance use  
26 disorder programs eligible to participate in the program at a rate  
27 equivalent to that paid by the department to adult foster care



1 providers. Programs accredited by department-approved accrediting  
2 organizations shall be reimbursed at the personal care rate, while  
3 all other eligible programs shall be reimbursed at the domiciliary  
4 care rate.

5       Sec. 907. (1) The amount appropriated in part 1 for substance  
6 use disorder prevention, education, and treatment grants shall be  
7 expended to coordinate care and services provided to individuals  
8 with severe and persistent mental illness and substance use  
9 disorder diagnoses.

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

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

17       Sec. 909. From the funds appropriated in part 1 for community  
18 substance use disorder prevention, education, and treatment, the  
19 department shall use available revenue from the marihuana  
20 regulatory fund established in section 604 of the medical marihuana  
21 facilities licensing act, 2016 PA 281, MCL 333.27604, to improve  
22 physical health; expand access to substance use disorder prevention  
23 and treatment services; and strengthen the existing prevention,  
24 treatment, and recovery systems.

25       Sec. 910. The department shall ensure that substance use  
26 disorder treatment is provided to applicants and recipients of  
27 public assistance through the department who are required to obtain



1 substance use disorder treatment as a condition of eligibility for  
2 public assistance.

3       Sec. 911. (1) The department shall ensure that each contract  
4 with a CMHSP or PIHP requires the CMHSP or PIHP to implement  
5 programs to encourage diversion of individuals with serious mental  
6 illness, serious emotional disturbance, or developmental disability  
7 from possible jail incarceration when appropriate.

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

18       Sec. 912. The department shall contract directly with the  
19 Salvation Army harbor light program to provide non-Medicaid  
20 substance use disorder services if the local coordinating agency or  
21 the department confirms the Salvation Army harbor light program  
22 meets the standard of care. The standard of care shall include, but  
23 is not limited to, utilization of the medication assisted treatment  
24 option.

25       Sec. 918. On or before the twenty-fifth of each month, the  
26 department shall report to the senate and house appropriations  
27 subcommittees on the department budget, the senate and house fiscal



1 agencies, and the state budget director on the amount of funding  
2 paid to PIHPs to support the Medicaid managed mental health care  
3 program in the preceding month. The information shall include the  
4 total paid to each PIHP, per capita rate paid for each eligibility  
5 group for each PIHP, and number of cases in each eligibility group  
6 for each PIHP, and year-to-date summary of eligibles and  
7 expenditures for the Medicaid managed mental health care program.

8       Sec. 920. As part of the Medicaid rate-setting process for  
9 behavioral health services, the department shall work with PIHP  
10 network providers and actuaries to include any state and federal  
11 wage and compensation increases that directly impact staff who  
12 provide Medicaid-funded community living supports, personal care  
13 services, respite services, skill-building services, and other  
14 similar supports and services as part of the Medicaid rate.

15       Sec. 928. (1) Each PIHP shall provide, from internal  
16 resources, local funds to be used as a 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       (2) It is the intent of the legislature that any funds that  
23 lapse from the funds appropriated in part 1 for Medicaid mental  
24 health services shall be redistributed to individual CMHSPs as a  
25 reimbursement of local funds on a proportional basis to those  
26 CMHSPs whose local funds were used as state Medicaid match. By  
27 April 1 of the current fiscal year, the department shall report to



1 the senate and house appropriations subcommittees on the department  
2 budget, the senate and house fiscal agencies, the senate and house  
3 policy offices, and the state budget office on the lapse by PIHP  
4 from the previous fiscal year and the projected lapse by PIHP in  
5 the current fiscal year.

6 Sec. 935. A county required under the provisions of the mental  
7 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide  
8 matching funds to a CMHSP for mental health services rendered to  
9 residents in its jurisdiction shall pay the matching funds in equal  
10 installments on not less than a quarterly basis throughout the  
11 fiscal year, with the first payment being made by October 1 of the  
12 current fiscal year.

13 Sec. 940. (1) According to section 236 of the mental health  
14 code, 1974 PA 258, MCL 330.1236, the department shall do both of  
15 the following:

16 (a) Review expenditures for each CMHSP to identify CMHSPs with  
17 projected allocation surpluses and to identify CMHSPs with  
18 projected allocation shortfalls. The department shall encourage the  
19 board of a CMHSP with a projected allocation surplus to concur with  
20 the department's recommendation to reallocate those funds to CMHSPs  
21 with projected allocation shortfalls.

22 (b) Withdraw unspent funds that have been allocated to a CMHSP  
23 if other reallocated funds were expended in a manner not provided  
24 for in the approved contract, including expending funds on services  
25 and programs provided to individuals residing outside of the  
26 CMHSP's geographic region.

27 (2) A CMHSP that has its funding allocation transferred out or



1 withdrawn during the current fiscal year as described in subsection  
2 (1) is not eligible for any additional funding reallocations during  
3 the remainder of the current fiscal year, unless that CMHSP is  
4 responding to a public health emergency as determined by the  
5 department.

6 (3) The department shall notify the chairs of the  
7 appropriation subcommittees on the department budget when a request  
8 is made and when the department grants approval for reallocation or  
9 withdraw as described in subsection (1). By September 30 of the  
10 current fiscal year, the department shall provide a report on the  
11 amount of funding reallocated or withdrawn to the senate and house  
12 appropriation subcommittees on the department budget, the senate  
13 and house fiscal agencies, the senate and house policy offices, and  
14 the state budget office.

15 Sec. 942. A CMHSP shall provide at least 30 days' notice  
16 before reducing, terminating, or suspending services provided by a  
17 CMHSP to CMHSP clients, with the exception of services authorized  
18 by a physician that no longer meet established criteria for medical  
19 necessity.

20 Sec. 958. Medicaid services shall include treatment for autism  
21 spectrum disorders as defined in the federally approved Medicaid  
22 state plan. These services may be coordinated with the Medicaid  
23 health plans and the Michigan Association of Health Plans.

24 Sec. 994. (1) By January 1 of the current fiscal year, the  
25 department shall seek federal approval through either a waiver  
26 request or state plan amendment to allow a CMHSP, PIHP, or  
27 subcontracting provider agency that is reviewed and accredited by a



1 national accrediting entity for behavioral health care services to  
2 be considered in compliance with state program review and audit  
3 requirements that are addressed and reviewed by that national  
4 accrediting entity.

5 (2) By April 1 of the current fiscal year, the department  
6 shall report to the house and senate appropriations subcommittees  
7 on the department budget, the house and senate fiscal agencies, and  
8 the state budget office all of the following:

9 (a) The status of the federal approval process required in  
10 subsection (1).

11 (b) A list of each CMHSP, PIHP, and subcontracting provider  
12 agency that is considered to be in compliance with state program  
13 review and audit requirements under subsection (1).

14 (c) For each CMHSP, PIHP, or subcontracting provider agency  
15 described in subdivision (b), both of the following:

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

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

21 (3) The department shall continue to comply with state and  
22 federal law and shall not initiate an action that negatively  
23 impacts beneficiary safety. Any cost savings attributed to this  
24 action shall be reinvested back into services.

25 (4) As used in this section, "national accrediting entity"  
26 means the Joint Commission, formerly known as the Joint Commission  
27 on Accreditation of Healthcare Organizations, the Commission on



1 Accreditation of Rehabilitation Facilities, the Council on  
2 Accreditation, the URAC, formerly known as the Utilization Review  
3 Accreditation Commission, the National Committee for Quality  
4 Assurance, or another appropriate entity, as approved by the  
5 department.

6 Sec. 995. From the funds appropriated in part 1 for behavioral  
7 health program administration, \$4,350,000.00 is intended to address  
8 the recommendations of the mental health diversion council.

9 Sec. 998. For distribution of state general funds to CMHSPs,  
10 if the department decides to use census data, the department shall  
11 use the most recent federal census data available.

12 Sec. 1003. The department shall notify the Michigan  
13 Association of Community Mental Health Boards when developing  
14 policies and procedures that will impact PIHPs or CMHSPs.

15 Sec. 1004. The department shall provide the senate and house  
16 appropriations subcommittee on the department budget, the senate  
17 and house fiscal agencies, and the state budget office any rebased  
18 formula changes to either Medicaid behavioral health services or  
19 non-Medicaid mental health services 90 days before implementation.  
20 The notification shall include a table showing the changes in  
21 funding allocation by PIHP for Medicaid behavioral health services  
22 or by CMHSP for non-Medicaid mental health services.

23 Sec. 1005. For the purposes of special projects involving  
24 high-need children or adults, including the not guilty by reason of  
25 insanity population, the department may contract directly with  
26 providers of services to these identified populations.

27 Sec. 1008. The PIHP and CMHSPs shall do all of the following:



1 (a) Work to reduce administration costs by ensuring that PIHP  
2 responsible functions are efficient to allow optimal transition of  
3 dollars to direct services. This process must include limiting  
4 duplicate layers of administration and minimizing PIHP-delegated  
5 services that may result in higher costs or inconsistent service  
6 delivery, or both.

7 (b) Take an active role in managing mental health care by  
8 ensuring consistent and high-quality service delivery throughout  
9 its network and promote a conflict-free care management  
10 environment.

11 (c) Ensure that direct service rate variances are related to  
12 the level of need or other quantifiable measures to ensure that the  
13 most money possible reaches direct services.

14 (d) Whenever possible, promote fair and adequate direct care  
15 reimbursement, including fair wages for direct service workers.

16 Sec. 1009. From the funds appropriated in part 1 for Medicaid  
17 mental health services and Healthy Michigan plan - behavioral  
18 health, the department shall allocate up to \$22,500,000.00 to  
19 increase hourly wages by \$0.25 for direct care workers providing  
20 Medicaid behavioral health supports and services. The department  
21 shall contractually mandate these funds be fully passed through to  
22 agencies directly responsible for paying the direct care workers'  
23 wages and shall contractually mandate that the agencies provide the  
24 department with ending wages at the end of the previous fiscal year  
25 and the new increased wages provided in the current fiscal year.  
26 The purpose of this allocation is to increase access to direct care  
27 services as reported in CMHSP sub-element cost reports, to reduce



1 the turnover rate among direct care workers, and to improve the  
2 quality of direct care workers providing Medicaid behavioral health  
3 supports and services.

4 Sec. 1010. From the funds appropriated in part 1 for  
5 behavioral health program administration, up to \$2,000,000.00 shall  
6 be allocated to address the implementation of court-ordered  
7 assisted outpatient treatment as provided under chapter 4 of the  
8 mental health code, 1974 PA 258, MCL 330.1400 to 330.1491.

9 Sec. 1012. By September 30 of the current fiscal year, the  
10 department shall submit a report to the senate and house  
11 appropriations subcommittees on the department budget, the senate  
12 and house fiscal agencies, the senate and house policy offices, and  
13 the state budget office addressing the challenge of meeting monthly  
14 deductible requirements in the Medicaid program and establish  
15 policy recommendations. The report shall include, but not be  
16 limited to, all of the following items:

17 (a) The average number of individuals who do not meet their  
18 monthly Medicaid deductibles in this state each year.

19 (b) How the reduction in general fund investment to CMHSPs for  
20 non-Medicaid services has played a role in the inability of many  
21 individuals to meet their spenddown.

22 (c) What currently counts as the protected income level and  
23 how that compares to other states.

24 (d) An action plan for implementation of any proposed changes.

25 (e) An estimate of the costs that may be incurred from  
26 adoption of recommendations included in the report.



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

2       Sec. 1051. The department shall continue a revenue recapture  
3 project to generate additional revenues from third parties related  
4 to cases that have been closed or are inactive. A portion of  
5 revenues collected through project efforts may be used for  
6 departmental costs and contractual fees associated with these  
7 retroactive collections and to improve ongoing departmental  
8 reimbursement management functions.

9       Sec. 1052. The purpose of gifts and bequests for patient  
10 living and treatment environments is to use additional private  
11 funds to provide specific enhancements for individuals residing at  
12 state-operated facilities. Use of the gifts and bequests shall be  
13 consistent with the stipulation of the donor. The expected  
14 completion date for the use of gifts and bequests donations is  
15 within 3 years unless otherwise stipulated by the donor.

16       Sec. 1055. (1) The department shall not implement any closures  
17 or consolidations of state hospitals, centers, or agencies until  
18 CMHSPs or PIHPs have programs and services in place for those  
19 individuals currently in those facilities and a plan for service  
20 provision for those individuals who would have been admitted to  
21 those facilities.

22       (2) All closures or consolidations are dependent upon adequate  
23 department-approved CMHSP and PIHP plans that include a discharge  
24 and aftercare plan for each individual currently in the facility. A  
25 discharge and aftercare plan shall address the individual's housing  
26 needs. A homeless shelter or similar temporary shelter arrangements  
27 are inadequate to meet the individual's housing needs.



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

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

11 Sec. 1056. The department may collect revenue for patient  
12 reimbursement from first- and third-party payers, including  
13 Medicaid and local county CMHSP payers, to cover the cost of  
14 placement in state hospitals and centers. The department is  
15 authorized to adjust financing sources for patient reimbursement  
16 based on actual revenues earned. If the revenue collected exceeds  
17 current year expenditures, the revenue may be carried forward with  
18 approval of the state budget director. The revenue carried forward  
19 shall be used as a first source of funds in the subsequent year.

20 Sec. 1057. The department shall work with the department of  
21 technology, management, and budget to evaluate the condition of the  
22 Hawthorn Center, the cost-effectiveness of improvements and  
23 investments and make recommendations to improve the quality of the  
24 facility needed by the patients.

25 Sec. 1058. Effective October 1 of the current fiscal year, the  
26 department, in consultation with the department of technology,  
27 management, and budget, may maintain a bid process to identify 1 or



1 more private contractors to provide food service and custodial  
2 services for the administrative areas at any state hospital  
3 identified by the department as capable of generating savings  
4 through the outsourcing of such services.

5 Sec. 1059. The department shall identify specific outcomes and  
6 performance measures for the center for forensic psychiatry,  
7 including, but not limited to, the following:

8 (a) The average wait time for persons ruled incompetent to  
9 stand trial before admission to the center for forensic psychiatry.

10 (b) The average wait time for persons ruled incompetent to  
11 stand trial before admission to other state-operated psychiatric  
12 facilities.

13 (c) The number of persons waiting to receive services at the  
14 center for forensic psychiatry.

15 (d) The number of persons waiting to receive services at other  
16 state-operated hospitals and centers.

17 Sec. 1060. (1) The department shall convene a workgroup in  
18 collaboration with labor union representation, civil service, and  
19 any other appropriate parties to recommend solutions to address  
20 mandatory overtime, staff turnover, and staff retention at the  
21 state psychiatric hospitals and centers, including, but not limited  
22 to, permitting retired workers to return and permitting hiring of  
23 part-time workers.

24 (2) By March 1 of the current fiscal year, the department  
25 shall provide the workgroup's recommendations to the senate and  
26 house appropriations subcommittees on the department budget, the  
27 senate and house fiscal agencies, and the state budget office.



1 **HEALTH POLICY**

2           Sec. 1140. From the funds appropriated in part 1 for primary  
3 care services, \$250,000.00 shall be allocated to free health  
4 clinics operating in the state. The department shall distribute the  
5 funds equally to each free health clinic. For the purpose of this  
6 appropriation, "free health clinics" means nonprofit organizations  
7 that use volunteer health professionals to provide care to  
8 uninsured individuals.

9           Sec. 1142. The department shall continue to seek means to  
10 increase retention of Michigan medical school students for  
11 completion of their primary care residency requirements within this  
12 state and ultimately, for some period of time, to remain in this  
13 state and serve as primary care physicians. The department is  
14 encouraged to work with Michigan institutions of higher education.

15           Sec. 1144. (1) From the funds appropriated in part 1 for  
16 health policy administration, the department shall allocate the  
17 federal state innovation model grant funding that supports  
18 implementation of the health delivery system innovations detailed  
19 in this state's "Reinventing Michigan's Health Care System:  
20 Blueprint for Health Innovation" document. This initiative will  
21 test new payment methodologies, support improved population health  
22 outcomes, and support improved infrastructure for technology and  
23 data sharing and reporting. The funds will be used to provide  
24 financial support directly to regions participating in the model  
25 test and to support statewide stakeholder guidance and technical  
26 support.

27           (2) Outcomes and performance measures for the initiative under



1 subsection (1) include, but are not limited to, the following:

2 (a) Increasing the number of physician practices fulfilling  
3 patient-centered medical home functions.

4 (b) Reducing inappropriate health utilization, specifically  
5 reducing preventable emergency department visits, reducing the  
6 proportion of hospitalizations for ambulatory sensitive conditions,  
7 and reducing this state's 30-day hospital readmission rate.

8 (3) By March 1 and September 1 of the current fiscal year, the  
9 department shall submit a written report to the house and senate  
10 appropriations subcommittees on the department budget, the house  
11 and senate fiscal agencies, and the state budget office on the  
12 status of the program and progress made since the prior report.

13 (4) From the funds appropriated in part 1 for health policy  
14 administration, any data aggregator created as part of the  
15 allocation of the federal state innovation model grant funds must  
16 meet the following standards:

17 (a) The primary purpose of the data aggregator must be to  
18 increase the quality of health care delivered in this state, while  
19 reducing costs.

20 (b) The data aggregator must be governed by a nonprofit  
21 entity.

22 (c) All decisions regarding the establishment, administration,  
23 and modification of the database must be made by an advisory board.  
24 The membership of the advisory board must include the director of  
25 the department or a designee of the director and representatives of  
26 health carriers, consumers, and purchasers.

27 (d) The data aggregator must receive health care claims



1 information from, without limitation, commercial health carriers,  
2 nonprofit health care corporations, health maintenance  
3 organizations, and third party administrators that process claims  
4 under a service contract.

5 (e) The data aggregator must use existing data sources and  
6 technological infrastructure, to the extent possible.

7 Sec. 1145. The department will take steps necessary to work  
8 with Indian Health Service, Tribal or Urban Indian Health Program  
9 facilities that provide services under a contract with a Medicaid  
10 managed care entity to ensure that those facilities receive the  
11 maximum amount allowable under federal law for Medicaid services.

12 Sec. 1147. (1) From the funds appropriated in part 1 for  
13 primary care services, \$1,000,000.00 shall be appropriated for the  
14 first year of a 6-year early primary care pilot program to  
15 facilitate the placement of physicians in medically underserved  
16 areas of this state. The early primary care pilot program format  
17 includes all of the following:

18 (a) Recruitment of interested physicians before completion of  
19 first year of residency.

20 (b) To participate in the pilot program, a physician must do  
21 all of the following:

22 (i) Complete 1 year of post-graduate education.

23 (ii) Complete and pass all 3 parts of a national licensing  
24 board examination.

25 (iii) Obtain an unrestricted license to engage in the practice  
26 of osteopathic medicine and surgery or an unrestricted license to  
27 engage in the practice of medicine in this state.



1 (c) A participating physician shall enter into a contract to  
2 work with an employer for no less than 2 years in a federally  
3 underserved rural or urban area in this state, beginning the year  
4 following completion of 1 year of post-graduate education.

5 (d) The employer shall employ the physician at a competitive  
6 salary. A contractual employer may include, but is not limited to,  
7 a private practice physician or physician group, a hospital or  
8 hospital system, a community clinic, or a federally qualified  
9 health center.

10 (e) Assistance with repayment of medical education loans of  
11 the participating physician shall be provided through local, state,  
12 federal, or other sources during the employment period, with a  
13 target assistance amount of \$50,000.00 over 2 years.

14 (f) Upon completion of the 2-year employment period,  
15 participating physicians may reenter and complete a post-graduate  
16 residency program.

17 (2) The department shall seek philanthropic support for the  
18 early primary care pilot program to achieve increased participation  
19 and may use state funds to match philanthropic contributions.

20 (3) A portion of the funds appropriated for the early primary  
21 care pilot program shall be allocated to the Michigan Health  
22 Council to partner with the department in the administration of the  
23 early primary care pilot program.

24 (4) Use of funds for administration of the early primary care  
25 pilot program is limited to no more than 10% of the total of all  
26 sources of funding.

27 (5) The department shall prepare a report on the status of the



1 early primary care pilot program that shall include, but is not  
2 limited to, the number of physicians placed, location of placement,  
3 type of employer, average student loan burden of the participating  
4 physicians, and average loan relief provided under the program. By  
5 April 1 of the current fiscal year, the department shall provide  
6 the report described in this subsection to the house and senate  
7 appropriations subcommittees on the department budget, the house  
8 and senate fiscal agencies and policy offices, and the state budget  
9 office.

10 (6) Unexpended and unencumbered funds up to a maximum of  
11 \$1,000,000.00 general fund/general purpose revenue in part 1 for  
12 primary care services are designated as work project  
13 appropriations, and any unencumbered or unallotted funds shall not  
14 lapse at the end of the fiscal year and shall be available for  
15 expenditures for the early primary care pilot program under this  
16 section until the project has been completed. All of the following  
17 are in compliance with section 451a of the management and budget  
18 act, 1984 PA 431, MCL 18.1451a:

19 (a) The purpose of the work project is to fund the cost of an  
20 early primary care program as provided by this section.

21 (b) The work project will be accomplished by administering the  
22 partnering of participating physicians with qualifying employers  
23 and coordinating the negotiation of medical school loan repayment  
24 assistance for the participating physician.

25 (c) The total estimated cost of the work project is  
26 \$1,000,000.00 of general fund/general purpose revenue.

27 (d) The tentative completion date of the work project is



1 September 30, 2022.

2 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

3 Sec. 1180. From the funds appropriated in part 1 for  
4 epidemiology administration and for childhood lead program, the  
5 department shall reestablish a public health drinking water unit  
6 and enhance current efforts to monitor child blood lead levels. The  
7 public health drinking water unit shall ensure that appropriate  
8 investigations of potential health hazards occur for all community  
9 and noncommunity drinking water supplies where chemical exceedances  
10 of action levels, health advisory levels, or maximum contaminant  
11 limits are identified. With the fiscal year 2017-2018 increase in  
12 funding, the childhood lead program shall improve the timeliness  
13 and quality of care provided to children with lead exposure, to  
14 achieve a long-term reduction in the percentage of children in this  
15 state with elevated blood lead levels.

16 Sec. 1181. From the funds appropriated in part 1 for  
17 epidemiology administration, the department shall establish and  
18 maintain a vapor intrusion response unit. The vapor intrusion  
19 response unit shall assess risks to public health at vapor  
20 intrusion sites and respond to vapor intrusion risks where  
21 appropriate. The goals of the vapor intrusion response unit shall  
22 include reducing the number of residents of this state exposed to  
23 toxic substances through vapor intrusion and improving health  
24 outcomes for individuals that are identified as having been exposed  
25 to vapor intrusion.

26 Sec. 1182. (1) From the funds appropriated in part 1 for the



1 healthy homes program, no less than \$1,750,000.00 of general  
2 fund/general purpose funds and \$25,230,000.00 of federal funds  
3 shall be allocated for lead abatement of homes.

4 (2) By January 1 of the current fiscal year, the department  
5 shall provide a report to the house and senate appropriations  
6 subcommittees on the department budget, the house and senate fiscal  
7 agencies, and the state budget office on the expenditures and  
8 activities undertaken by the lead abatement program in the previous  
9 fiscal year from the funds appropriated in part 1 for the healthy  
10 homes program. The report shall include, but is not limited to, a  
11 funding allocation schedule, expenditures by category of  
12 expenditure and by subcontractor, revenues received, description of  
13 program elements, and description of program accomplishments and  
14 progress.

15 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

16 Sec. 1220. The amount appropriated in part 1 for  
17 implementation of the 1993 additions of or amendments to sections  
18 9161, 16221, 16226, 17014, 17015, and 17515 of the public health  
19 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,  
20 333.17015, and 333.17515, shall be used to reimburse local health  
21 departments for costs incurred related to implementation of section  
22 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

23 Sec. 1221. If a county that has participated in a district  
24 health department or an associated arrangement with other local  
25 health departments takes action to cease to participate in such an  
26 arrangement after October 1 of the current fiscal year, the



1 department shall have the authority to assess a penalty from the  
2 local health department's operational accounts in an amount equal  
3 to no more than 6.25% of the local health department's essential  
4 local public health services funding. This penalty shall only be  
5 assessed to the local county that requests the dissolution of the  
6 health department.

7       Sec. 1222. (1) Funds appropriated in part 1 for essential  
8 local public health services shall be prospectively allocated to  
9 local health departments to support immunizations, infectious  
10 disease control, sexually transmitted disease control and  
11 prevention, hearing screening, vision services, food protection,  
12 public water supply, private groundwater supply, and on-site sewage  
13 management. Food protection shall be provided in consultation with  
14 the department of agriculture and rural development. Public water  
15 supply, private groundwater supply, and on-site sewage management  
16 shall be provided in consultation with the department of  
17 environmental quality.

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

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

24       (4) By December 1 of the current fiscal year, the department  
25 shall provide a report to the house and senate appropriations  
26 subcommittees on the department budget, the house and senate fiscal  
27 agencies, and the state budget director on the planned allocation



1 of the funds appropriated for essential local public health  
2 services.

3 Sec. 1223. (1) From the funds appropriated in part 1 for  
4 dental programs, \$150,000.00 shall be allocated to the Michigan  
5 Dental Association for the administration of a volunteer dental  
6 program that provides dental services to the uninsured.

7 (2) Not later than December 1 of the current fiscal year, the  
8 department shall report to the senate and house appropriations  
9 subcommittees on the department budget, the senate and house  
10 standing committees on health policy, the senate and house fiscal  
11 agencies, and the state budget office the number of individual  
12 patients treated, number of procedures performed, and approximate  
13 total market value of those procedures from the immediately  
14 preceding fiscal year.

15 Sec. 1224. The department shall use revenue from mobile  
16 dentistry facility permit fees received under section 21605 of the  
17 public health code, 1978 PA 368, MCL 333.21605, to offset the cost  
18 of the permit program.

19 Sec. 1226. From the funds appropriated in part 1 for health  
20 and wellness initiatives, \$1,000,000.00 shall be allocated for a  
21 school children's healthy exercise program to promote and advance  
22 physical health for school children in kindergarten through grade  
23 8. The department shall recommend model programs for sites to  
24 implement that incorporate evidence-based best practices. The  
25 department shall grant no less than 1/2 of the funds appropriated  
26 in part 1 for before- and after-school programs. The department  
27 shall establish guidelines for program sites, which may include



1 schools, community-based organizations, private facilities,  
2 recreation centers, or other similar sites. The program format  
3 shall encourage local determination of site activities and shall  
4 encourage local inclusion of youth in the decision-making regarding  
5 site activities. Program goals shall include children experiencing  
6 improved physical health and access to physical activity  
7 opportunities, the reduction of obesity, providing a safe place to  
8 play and exercise, and nutrition education. To be eligible to  
9 participate, program sites shall provide a 20% match to the state  
10 funding, which may be provided in full, or in part, by a  
11 corporation, foundation, or private partner. The department shall  
12 seek financial support from corporate, foundation, or other private  
13 partners for the program or for individual program sites.

14       Sec. 1227. The department shall establish criteria for all  
15 funds allocated under part 1 for health and wellness initiatives.  
16 The criteria must include a requirement that all programs funded be  
17 evidence-based and supported by research, include interventions  
18 that have been shown to demonstrate outcomes that lower cost and  
19 improve quality, and be designed for statewide impact. Preference  
20 must be given to programs that utilize the funding as match for  
21 additional resources including, but not limited to, federal  
22 sources.

23       Sec. 1228. From the funds appropriated in part 1 for injury  
24 control intervention project, \$1,000,000.00 shall be allocated for  
25 implementation of evidence-based, real-time, quality assurance  
26 decision support software in the treatment of pediatric traumatic  
27 brain injury and for protocols that are to be available to all



1 hospitals providing those trauma services. The funds shall be used  
2 to purchase statewide licenses for pediatric traumatic brain injury  
3 treatment software and related software services and to offset  
4 hospital software integration costs. The department shall seek  
5 federal matching funds that may be available for implementation of  
6 this section.

7       Sec. 1230. The department shall develop and implement a  
8 school-based pilot program for children up to grade 7 that may  
9 include, but is not limited to, oral health assessments, primary  
10 dental services, and referrals. The department shall consult with  
11 the department of education in the development of the school-based  
12 pilot program, and seek partnerships with local entities, and  
13 dental and philanthropic organizations to carry out the program.  
14 The school-based pilot program shall track the number of children  
15 offered and receiving services at the school sites. Program goals  
16 shall include improving oral and physical health outcomes for  
17 children, improving rates of children receiving dental sealants,  
18 and reduction of rates of childhood tooth decay.

19 **FAMILY, MATERNAL, AND CHILD HEALTH**

20       Sec. 1301. (1) Before April 1 of the current fiscal year, the  
21 department shall submit a report to the house and senate fiscal  
22 agencies and the state budget director on planned allocations from  
23 the amounts appropriated in part 1 for local MCH services, prenatal  
24 care outreach and service delivery support, family planning local  
25 agreements, and pregnancy prevention programs. Using applicable  
26 federal definitions, the report shall include information on all of



1 the following:

2 (a) Funding allocations.

3 (b) Actual number of women, children, and adolescents served  
4 and amounts expended for each group for the immediately preceding  
5 fiscal year.

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

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

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

15 Sec. 1302. Each family planning program receiving federal  
16 title X family planning funds under 42 USC 300 to 300a-8 shall be  
17 in compliance with all performance and quality assurance indicators  
18 that the office of population affairs within the United States  
19 Department of Health and Human Services specifies in the program  
20 guidelines for project grants for family planning services. An  
21 agency not in compliance with the indicators shall not receive  
22 supplemental or reallocated funds.

23 Sec. 1303. The department shall not contract with an  
24 organization that provides elective abortions, abortion counseling,  
25 or abortion referrals, for services that are to be funded with  
26 state restricted or state general fund/general purpose funds  
27 appropriated in part 1 for family planning local agreements. An



1 organization under contract with the department shall not  
2 subcontract with an organization that provides elective abortions,  
3 abortion counseling, or abortion referrals, for services that are  
4 to be funded with state restricted or state general fund/general  
5 purpose funds appropriated in part 1 for family planning local  
6 agreements.

7       Sec. 1304. The department shall not use state restricted funds  
8 or state general funds appropriated in part 1 in the pregnancy  
9 prevention program or family planning local agreements  
10 appropriation line items for abortion counseling, referrals, or  
11 services.

12       Sec. 1307. From the funds appropriated in part 1 for prenatal  
13 care outreach and service delivery support, \$400,000.00 of TANF  
14 revenue shall be allocated for a pregnancy and parenting support  
15 services program, which program must promote childbirth,  
16 alternatives to abortion, and grief counseling. The department  
17 shall establish a program with a qualified contractor that will  
18 contract with qualified service providers to provide free  
19 counseling, support, and referral services to eligible women during  
20 pregnancy through 12 months after birth. As appropriate, the goals  
21 for client outcomes shall include an increase in client support, an  
22 increase in childbirth choice, an increase in adoption knowledge,  
23 an improvement in parenting skills, and improved reproductive  
24 health through abstinence education. The contractor of the program  
25 shall provide for program training, client educational material,  
26 program marketing, and annual service provider site monitoring. The  
27 department shall submit a report to the house and senate



1 appropriations subcommittees on the department budget and the house  
2 and senate fiscal agencies by April 1 of the current fiscal year on  
3 the number of clients served.

4       Sec. 1308. From the funds appropriated in part 1 for prenatal  
5 care outreach and service delivery support, not less than  
6 \$500,000.00 of funding shall be allocated for evidence-based  
7 programs to reduce infant mortality including nurse family  
8 partnership programs. The funds shall be used for enhanced support  
9 and education to nursing teams or other teams of qualified health  
10 professionals, client recruitment in areas designated as  
11 underserved for obstetrical and gynecological services and other  
12 high-need communities, strategic planning to expand and sustain  
13 programs, and marketing and communications of programs to raise  
14 awareness, engage stakeholders, and recruit nurses.

15       Sec. 1309. The department shall allocate funds appropriated in  
16 section 117 of part 1 for family, maternal, and child health  
17 according to section 1 of 2002 PA 360, MCL 333.1091.

18       Sec. 1310. The department shall continue to work jointly with  
19 the Michigan state housing development authority and the joint task  
20 force established under article IV of 2014 PA 252 to review housing  
21 rehabilitation, energy and weatherization, and hazard abatement  
22 program policies and to make recommendations for integrating and  
23 coordinating project delivery with the goals of serving more  
24 families and achieving better outcomes by maximizing state and  
25 federal resources. The joint task force may provide recommendations  
26 to the department. Recommendations of the joint task force must  
27 give consideration to best practices and cost effectiveness.



1           Sec. 1311. From the funds appropriated in part 1 for prenatal  
2 care outreach and service delivery support, equal consideration  
3 shall be given to all eligible evidence-based providers in all  
4 regions in contracting for rural home visitation services.

5           Sec. 1313. (1) The department shall continue developing an  
6 outreach program on fetal alcohol syndrome services, targeting  
7 health promotion, prevention, and intervention as described in the  
8 Michigan fetal alcohol spectrum disorders 5-year plan 2015-2020.

9           (2) The department shall explore federal grant funding to  
10 address prevention services for fetal alcohol syndrome and reduce  
11 alcohol consumption among pregnant women.

12           Sec. 1314. The department shall enhance education and outreach  
13 efforts that encourage women of childbearing age to seek  
14 confirmation at the earliest indication of possible pregnancy and  
15 initiate continuous and routine prenatal care upon confirmation of  
16 pregnancy. The department shall ensure that department programs,  
17 policies, and practices promote prenatal and obstetrical care by  
18 doing the following:

19           (a) Supporting access to care.

20           (b) Reducing and eliminating barriers to care.

21           (c) Supporting recommendations for best practices.

22           (d) Encouraging optimal prenatal habits such as prenatal  
23 medical visits, use of prenatal vitamins, and cessation of use of  
24 tobacco, alcohol, or drugs.

25           (e) Tracking of birth outcomes to study improvements in  
26 prevalence of fetal drug addiction, fetal alcohol syndrome, and  
27 other preventable neonatal disease.



1 (f) Tracking of maternal increase in healthy behaviors  
2 following childbirth.

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

4 Sec. 1360. The department may do 1 or more of the following:

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

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

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

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

13 Sec. 1361. From the funds appropriated in part 1 for medical  
14 care and treatment, the department is authorized to spend those  
15 funds for the continued development and expansion of telemedicine  
16 capacity to allow families with children in the children's special  
17 health care services program to access specialty providers more  
18 readily and in a more timely manner.

19 **AGING AND ADULT SERVICES AGENCY**

20 Sec. 1402. The department may encourage the Food Bank Council  
21 of Michigan to collaborate directly with each area agency on aging  
22 and any other organizations that provide senior nutrition services  
23 to secure the food access of vulnerable seniors.

24 Sec. 1403. (1) By February 1 of the current fiscal year, the  
25 aging and adult services agency shall require each region to report



1 to the aging and adult services agency and to the legislature home-  
2 delivered meals waiting lists based upon standard criteria.

3 Determining criteria shall include all of the following:

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

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

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

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

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

14 Sec. 1417. The department shall provide to the senate and  
15 house appropriations subcommittees on the department budget, senate  
16 and house fiscal agencies, and state budget director a report by  
17 March 30 of the current fiscal year that contains all of the  
18 following:

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

21 (b) Detail expenditure by each area agency on aging by  
22 individual program and administration including both state-funded  
23 resources and locally-funded resources.

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

27 Sec. 1422. (1) From the funds appropriated in part 1 for aging



1 and adult services administration, not less than \$300,000.00 shall  
2 be allocated for the department to contract with the Prosecuting  
3 Attorneys Association of Michigan to provide the support and  
4 services necessary to increase the capability of the state's  
5 prosecutors, adult protective service system, and criminal justice  
6 system to effectively identify, investigate, and prosecute elder  
7 abuse and financial exploitation.

8 (2) By March 1 of the current fiscal year, the Prosecuting  
9 Attorneys Association of Michigan shall provide a report on the  
10 efficacy of the contract to the state budget office, the house and  
11 senate appropriations subcommittees on the department budget, the  
12 house and senate fiscal agencies, and the house and senate policy  
13 offices.

14 Sec. 1424. From the funds appropriated in part 1 for community  
15 services, \$100.00 is appropriated for Alzheimer's disease services  
16 and shall be remitted to the Alzheimer's Association-Michigan  
17 chapters for the purpose of continuation of a pilot project in  
18 Macomb, Monroe, and St. Joseph Counties. The fiduciary for the  
19 funds is the Alzheimer's Association-greater Michigan chapter. The  
20 Alzheimer's Association shall provide enhanced services, including  
21 24/7 helpline, continued care consultation, and support groups, to  
22 individuals with Alzheimer's disease or dementia and their families  
23 in the 3 counties, and partner with a Michigan public university to  
24 study whether provision of such in-home support services  
25 significantly delays the need for residential long-term care  
26 services for individuals with Alzheimer's disease or dementia. The  
27 study must also consider potential cost savings related to the



1 delay of long-term care services, if a delay is shown.

2       Sec. 1425. The department shall coordinate with the department  
3 of licensing and regulatory affairs to ensure that, upon receipt of  
4 the order of suspension of a licensed adult foster care home, home  
5 for the aged, or nursing home, the department of licensing and  
6 regulatory affairs shall provide notice to the department, to the  
7 house and senate appropriations subcommittees on the department  
8 budget, and to the members of the house and senate that represent  
9 the legislative districts of the county in which the facility lies.

#### 10 **MEDICAL SERVICES ADMINISTRATION**

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

17       (a) The purpose of the project to be carried forward is to  
18 implement the Medicaid electronic health record program that  
19 provides financial incentive payments to Medicaid health care  
20 providers to encourage the adoption and meaningful use of  
21 electronic health records to improve quality, increase efficiency,  
22 and promote safety.

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

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



1 (d) The tentative completion date for the work project is  
2 September 30, 2021.

3 Sec. 1502. The department shall spend available work project  
4 revenue and any associated federal match to create and develop a  
5 transparency database website. This funding is contingent upon  
6 enactment of enabling legislation.

7 Sec. 1503. From the funds appropriated in part 1 for Healthy  
8 Michigan plan administration, the department shall maintain an  
9 accounting structure within the statewide integrated governmental  
10 management applications that will allow expenditures associated  
11 with the administration of the Healthy Michigan plan to be  
12 identified.

13 Sec. 1505. By March 1 and September 1 of the current fiscal  
14 year, the department shall submit a report to the senate and house  
15 appropriations subcommittees on the department budget, the senate  
16 and house fiscal agencies, and the state budget office including  
17 both of the following:

18 (a) The department's projected annual increase in  
19 reimbursement savings and cost offsets that will result from the  
20 funds appropriated in part 1 for the office of inspector general  
21 and third party liability efforts.

22 (b) The actual increase in reimbursement savings and cost  
23 offsets that have resulted from the funds appropriated in part 1  
24 for the office of inspector general and third party liability  
25 efforts.

26 Sec. 1506. The department shall submit to the senate and house  
27 appropriations subcommittees on the department budget, the senate



1 and house fiscal agencies, the senate and house policy offices, and  
2 the state budget office a quarterly report on the implementation  
3 status of the public assistance call center that includes all of  
4 the following information:

5 (a) Call volume during the prior quarter.

6 (b) Percentage of calls resolved through the public assistance  
7 call center.

8 (c) Percentage of calls transferred to a local department  
9 office or other office for resolution.

10 (d) Number of Medicaid applications completed by the public  
11 assistance call center staff and submitted on behalf of clients.

12 Sec. 1507. (1) From the funds appropriated in part 1 for  
13 technology supporting integrated service delivery, the department  
14 shall establish new information technology tools and enhance  
15 existing systems to improve the eligibility and enrollment process  
16 for citizens accessing department administered programs. This  
17 information technology system will consolidate beneficiary  
18 information, support department caseworker efforts in building a  
19 success plan for beneficiaries, and better support department staff  
20 in supporting enrollees in assistance programs.

21 (2) Outcomes and performance measures for the initiative under  
22 subsection (1) include, but are not limited to, the following:

23 (a) Successful consolidation of data warehouses maintained by  
24 the department.

25 (b) The amount of time a department caseworker devotes to data  
26 entry when initiating an enrollee application.

27 (c) A reduction in wait times for persons enrolled in



1 assistance programs to speak with department staff and get  
2 necessary changes made.

3 (d) A reduction in department caseworker workload.

#### 4 **MEDICAL SERVICES**

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

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

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

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

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

22 Sec. 1606. For the purpose of guardian and conservator  
23 charges, the department may deduct up to \$83.01 per month as an  
24 allowable expense against a recipient's income when determining  
25 medical services eligibility and patient pay amounts.

26 Sec. 1607. (1) An applicant for Medicaid, whose qualifying



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

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

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

26 (4) If the preponderance of evidence in an application  
27 indicates that the applicant is not eligible for Medicaid, the



1 department shall refer that applicant to the nearest public health  
2 clinic or similar entity as a potential source for receiving  
3 pregnancy-related services.

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

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

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

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

27 (2) Notwithstanding subsection (1), medical services



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

6       Sec. 1620. (1) According to the federal covered outpatient  
7 drug final rule with comment (CMS-2345-FC), the department shall  
8 establish a professional pharmaceutical dispensing fee for pharmacy  
9 benefits that are reimbursed on a fee-for-service basis. In  
10 establishing this fee, the department shall comply with federal law  
11 while taking into consideration the state's long-term financial  
12 exposure and Medicaid beneficiaries' access to care. The  
13 established fee shall not be lower than the amount in effect on  
14 October 1, 2015.

15       (2) The department shall require a prescription co-payment for  
16 Medicaid recipients not enrolled in the Healthy Michigan plan or  
17 with an income less than 100% of the federal poverty level of \$1.00  
18 for a generic drug and \$3.00 for a brand-name drug, except as  
19 prohibited by federal or state law or regulation.

20       (3) The department shall require a prescription co-payment for  
21 Medicaid recipients enrolled in the Healthy Michigan plan with an  
22 income of at least 100% of the federal poverty level of \$4.00 for a  
23 generic drug and \$8.00 for a brand-name drug, except as prohibited  
24 by federal or state law or regulation.

25       Sec. 1621. The department shall report to the house and senate  
26 appropriations subcommittees on the department budget, the house  
27 and senate fiscal agencies, and the state budget office on



1 strategies the department is using to minimize the state cost of  
2 specialty drugs. Also, the department may take additional measures  
3 in order to further reduce state costs, while also ensuring that  
4 appropriate clinical care is being utilized. The report shall also  
5 include information on savings generated as a result of these  
6 additional measures that may include additional cost sharing, step  
7 therapy, and prior authorization.

8       Sec. 1629. The department shall utilize maximum allowable cost  
9 pricing for generic drugs that is based on wholesaler pricing to  
10 providers that is available from at least 2 wholesalers who deliver  
11 in this state.

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

16       (2) Except as otherwise prohibited by federal or state law or  
17 regulation, the department shall require Medicaid recipients not  
18 enrolled in the Healthy Michigan plan or with an income less than  
19 100% of the federal poverty level to pay not less than the  
20 following co-payments:

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

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

23       (c) Fifty dollars for the first day of an inpatient hospital  
24 stay.

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

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



1 enrolled in the Healthy Michigan plan with an income of at least  
2 100% of the federal poverty level to pay the following co-payments:

3 (a) Four dollars for a physician office visit.

4 (b) Eight dollars for a hospital emergency room visit.

5 (c) One hundred dollars for the first day of an inpatient  
6 hospital stay.

7 (d) Four dollars for an outpatient hospital visit or any other  
8 medical provider visit to the extent allowed by federal or state  
9 law or regulation.

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

14 Sec. 1645. The department shall consider using the most recent  
15 3 years of actual days of care provided, as reported in the annual  
16 cost reports, for the purpose of establishing the nursing facility  
17 quality assurance assessment fee. For any year in which the  
18 estimated days of care compared to the actual days of care provided  
19 by each nursing home and hospital long-term care unit creates an  
20 aggregate overpayment of \$1,000,000.00 or more as a result of the  
21 nursing facility quality assurance assessment fee, the department  
22 shall report the excess assessed amount to the senate and house  
23 appropriation subcommittees on the department budget, the senate  
24 and house fiscal agencies, and the state budget office. By April 1  
25 of the current fiscal year, the department shall report on  
26 feasibility of creating a more accurate formula for next year's  
27 assessment and a recommendation if a refund can or cannot be made



1 to the senate and house appropriation subcommittees on the  
2 department budget, the senate and house fiscal agencies, and the  
3 state budget office.

4       Sec. 1646. From the funds appropriated in part 1 for long-term  
5 care services, the department shall implement a nursing facility  
6 quality initiative. The initiative shall be financed through an  
7 increase of the nursing facility quality assurance assessment, and  
8 shall provide quality incentive payments intended to reward and  
9 support improvement in outcomes for nursing facility patients and  
10 residents.

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: 904, 911, 918, 920, 928,  
4 942, 994, 1008, 1009, 1607, 1657, 1662, 1699, 1700, 1702, 1764,  
5 1809, 1810, 1850, 1875, 1882, and 1888.

6 Sec. 1662. (1) The department shall ensure 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 the department budget, the senate  
19 and 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.

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

11 (3) The department may make payments on behalf of children  
12 enrolled in the MICHild program as described in the MICHild state  
13 plan approved by the United States Department of Health and Human  
14 Services, or from other medical services.

15 Sec. 1673. The department may establish premiums for MICHild  
16 eligible individuals in families with income at or below 212% of  
17 the federal poverty level. The monthly premiums shall be \$10.00 per  
18 month.

19 Sec. 1677. The MICHild program shall provide, at a minimum,  
20 all benefits available under the Michigan benchmark plan that are  
21 delivered through contracted providers and consistent with federal  
22 law, including, but not limited to, the following medically  
23 necessary services:

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



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

4 (c) Durable medical equipment and prosthetic and orthotic  
5 devices.

6 (d) Dental services as outlined in the approved MICHild state  
7 plan.

8 (e) Substance use disorder treatment services that may include  
9 inpatient, outpatient, and residential substance use disorder  
10 treatment services.

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

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

14 (h) Emergency ambulance services.

15 Sec. 1682. (1) In addition to the appropriations in part 1,  
16 the department is authorized to receive and spend penalty money  
17 received as the result of noncompliance with medical services  
18 certification regulations. Penalty money, characterized as private  
19 funds, received by the department shall increase authorizations and  
20 allotments in the long-term care accounts.

21 (2) Any unexpended penalty money, at the end of the year,  
22 shall carry forward to the following year.

23 Sec. 1692. (1) The department is authorized to pursue  
24 reimbursement for eligible services provided in Michigan schools  
25 from the federal Medicaid program. The department and the state  
26 budget director are authorized to negotiate and enter into  
27 agreements, together with the department of education, with local



1 and intermediate school districts regarding the sharing of federal  
2 Medicaid services funds received for these services. The department  
3 is authorized to receive and disburse funds to participating school  
4 districts pursuant to such agreements and state and federal law.

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

8 (a) Finance activities within the medical services  
9 administration related to this project.

10 (b) Reimburse participating school districts pursuant to the  
11 fund-sharing ratios negotiated in the state-local agreements  
12 authorized in subsection (1).

13 (c) Offset general fund costs associated with the medical  
14 services program.

15 Sec. 1693. The special Medicaid reimbursement appropriation in  
16 part 1 may be increased if the department submits a medical  
17 services state plan amendment pertaining to this line item at a  
18 level higher than the appropriation. The department is authorized  
19 to appropriately adjust financing sources in accordance with the  
20 increased appropriation.

21 Sec. 1694. From the funds appropriated in part 1 for special  
22 Medicaid reimbursement, \$386,700.00 of general fund/general purpose  
23 revenue and any associated federal match shall be distributed for  
24 poison control services to an academic health care system that  
25 includes a children's hospital that has a high indigent care  
26 volume.

27 Sec. 1699. (1) The department may make separate payments in



1 the amount of \$45,000,000.00 directly to qualifying hospitals  
2 serving a disproportionate share of indigent patients and to  
3 hospitals providing GME training programs. If direct payment for  
4 GME and DSH is made to qualifying hospitals for services to  
5 Medicaid recipients, hospitals shall not include GME costs or DSH  
6 payments in their contracts with HMOs.

7 (2) The department shall allocate \$40,500,000.00 in DSH  
8 funding using the distribution methodology used in fiscal year  
9 2003-2004. This allocation is reduced from the previous fiscal year  
10 allocation in compliance with section 105d(8) of the social welfare  
11 act, 1939 PA 280, MCL 400.105d.

12 Sec. 1700. (1) By December 1 of the current fiscal year, the  
13 department shall report to the senate and house appropriations  
14 subcommittees on the department budget, the senate and house fiscal  
15 agencies, and the state budget office on the distribution of  
16 funding provided, and the net benefit if the special hospital  
17 payment is not financed with general fund/general purpose revenue,  
18 to each eligible hospital during the previous fiscal year from the  
19 following special hospital payments:

20 (a) DSH, separated out by unique DSH pool.

21 (b) GME.

22 (c) Special rural hospital payments provided under section  
23 1866.

24 (d) Lump-sum payments to rural hospitals for obstetrical care  
25 provided under section 1802.

26 (2) By May 1 of the current fiscal year, the department shall  
27 report to the senate and house appropriations subcommittees on the



1 department budget, the senate and house fiscal agencies, and the  
2 state budget office on the projected distribution of funding, and  
3 the projected net benefit if the special hospital payment is not  
4 financed with general fund/general purpose revenue, to each  
5 eligible hospital from the following special hospital payments:

6 (a) DSH, separated out by unique DSH pool.

7 (b) GME.

8 (c) Special rural hospital payments provided under section  
9 1866.

10 (d) Lump-sum payments to rural hospitals for obstetrical care  
11 provided under section 1802.

12 Sec. 1702. From the funds appropriated in part 1, the  
13 department shall maintain the 15% rate increase provided during the  
14 fiscal year ending September 30, 2017 for private duty nursing  
15 services for Medicaid beneficiaries under the age of 21. These  
16 additional funds must be used to attract and retain highly  
17 qualified registered nurses and licensed practical nurses to  
18 provide private duty nursing services so that medically frail  
19 children can be cared for in the most homelike setting possible.

20 Sec. 1724. The department shall allow licensed pharmacies to  
21 purchase injectable drugs for the treatment of respiratory  
22 syncytial virus for shipment to physicians' offices to be  
23 administered to specific patients. If the affected patients are  
24 Medicaid eligible, the department shall reimburse pharmacies for  
25 the dispensing of the injectable drugs and reimburse physicians for  
26 the administration of the injectable drugs.

27 Sec. 1730. The department shall continue to maintain enhanced



1 assessment tools established in collaboration with the department  
2 of education that promote literacy development of pregnant women  
3 and new mothers in the maternal infant health program. When  
4 possible, the department shall include new fathers of the infants  
5 in the literacy promotion efforts that are included in the  
6 assessment tools and in the subsequent services provided. The  
7 assessment tools shall expand the assessment of maternal and  
8 parental literacy and provide support and referrals to resources to  
9 enable program participants to achieve an increase in literacy that  
10 may contribute to improvements in family health, economic, and life  
11 outcomes.

12       Sec. 1757. The department shall obtain proof from all Medicaid  
13 recipients that they are legal United States citizens or otherwise  
14 legally residing in this country and that they are residents of  
15 this state before approving Medicaid eligibility.

16       Sec. 1764. The department shall annually certify whether rates  
17 paid to Medicaid health plans and specialty PIHPs are actuarially  
18 sound in accordance with federal requirements and shall provide a  
19 copy of the rate certification and approval of rates paid to  
20 Medicaid health plans and specialty PIHPs within 5 business days  
21 after certification or approval to the senate and house  
22 appropriations subcommittees on the department budget, the senate  
23 and house fiscal agencies, and the state budget office. When  
24 calculating the annual actuarial soundness adjustment, the  
25 department shall take into account all Medicaid policy bulletins  
26 affecting Medicaid health plans or specialty PIHPs issued after the  
27 most recent actuarial soundness process concluded.



1           Sec. 1775. (1) By March 1 of the current fiscal year, the  
2 department shall report to the senate and house appropriations  
3 subcommittees on the department budget, the senate and house fiscal  
4 agencies, and the state budget office on progress in implementing  
5 the waiver to implement managed care for individuals who are  
6 eligible for both Medicare and Medicaid, known as MI Health Link,  
7 including, but not limited to, a description of how the department  
8 intends to ensure that service delivery is integrated, how key  
9 components of the proposal are implemented effectively, and any  
10 problems and potential solutions as identified by the ombudsman  
11 described in subsection (2).

12           (2) The department shall ensure the existence of an ombudsman  
13 program that is not associated with any project service manager or  
14 provider to assist MI Health Link beneficiaries with navigating  
15 complaint and dispute resolution mechanisms and to identify  
16 problems in the demonstrations and in the complaint and dispute  
17 resolution mechanisms.

18           Sec. 1790. Any restricted funds provided for ambulance  
19 provider reimbursements must come from an ambulance provider  
20 quality assurance assessment with a base narrowly tailored to  
21 ambulance services that does not include other municipal services.

22           Sec. 1791. From the funds appropriated in part 1 for physician  
23 services, the department shall increase Medicaid reimbursement  
24 rates for neonatal services.

25           Sec. 1800. For the distribution of each of the pools within  
26 the \$85,000,000.00 outpatient disproportionate share hospital  
27 payment, the department shall maintain a formula for the



1 distribution of each pool based on the quality of care, cost,  
2 traditional disproportionate share hospital factors such as  
3 Medicaid utilization and uncompensated care, and any other factor  
4 that the department determines should be considered.

5       Sec. 1801. (1) From the funds appropriated in part 1 for  
6 physician services and health plan services, the department shall  
7 continue the increase to Medicaid rates for primary care services  
8 provided only by primary care providers. For the purpose of this  
9 section, a primary care provider is a physician, or a practitioner  
10 working under the personal supervision of a physician, who is  
11 either licensed under part 170 or part 175 of the public health  
12 code, 1978 PA 368, MCL 333.17001 to 333.17084 and 333.17501 to  
13 333.17556, and working as a primary care provider in general  
14 practice or board-eligible or certified with a specialty  
15 designation of family medicine, general internal medicine, or  
16 pediatric medicine, or a provider who provides the department with  
17 documentation of equivalency. Providers performing a service and  
18 whose primary practice is as a non-primary-care subspecialty is not  
19 eligible for the increase. The department shall establish policies  
20 that most effectively limit the increase to primary care providers  
21 for primary care services only.

22       (2) The department shall report by March 1 of the current  
23 fiscal year to the senate and house subcommittees on the department  
24 budget, the senate and house fiscal agencies, the senate and house  
25 policy offices, and the state budget office the following:

26       (a) A list of medical specialties and licensed providers that  
27 were paid enhanced primary care rates in the fiscal year ending



1 September 30, 2016.

2 (b) Information on the geographic distribution of specialists  
3 who received enhanced rates in the fiscal year ending September 30,  
4 2016.

5 Sec. 1802. From the funds appropriated in part 1, a lump-sum  
6 payment shall be made to hospitals that qualified for rural  
7 hospital access payments in fiscal year 2013-2014 and that provide  
8 obstetrical care in the current fiscal year. The payment shall be  
9 calculated as \$830.00 for each obstetrical care case payment and  
10 each newborn care case payment for all such cases billed by the  
11 qualified hospitals for fiscal year 2012-2013 and shall be paid  
12 through the Medicaid health plan hospital rate adjustment process  
13 by January 1 of the current fiscal year.

14 Sec. 1804. The department, in cooperation with the department  
15 of military and veterans affairs, shall work with the federal  
16 public assistance reporting information system to identify Medicaid  
17 recipients who are veterans and who may be eligible for federal  
18 veterans health care benefits or other benefits.

19 Sec. 1805. Hospitals receiving medical services payments for  
20 graduate medical education shall submit fully completed quality  
21 data to a nonprofit organization with extensive experience in  
22 collecting and reporting hospital quality data on a public website.  
23 The reporting must utilize consensus-based nationally endorsed  
24 standards that meet National Quality Forum-endorsed safe practices.  
25 The organization collecting the data must be an organization that  
26 uses severity-adjusted risk models and measures that will help  
27 patients and payers identify hospital campuses likely to have



1 superior outcomes. The public website shall provide information to  
2 allow consumers to compare safe practices by hospital campus,  
3 including, but not limited to, perinatal care, hospital-acquired  
4 infection, and serious reportable events. Hospitals receiving  
5 medical services payments for graduate medical education shall also  
6 make their fully completed quality data available on the hospital's  
7 website. The department shall withhold 25% of a hospital's graduate  
8 medical education payment if the hospital does not submit the data  
9 to a qualifying nonprofit organization described in this section by  
10 July 1 of the current fiscal year.

11 Sec. 1806. The department shall monitor the progress of  
12 implementing the Medicaid health plan common formulary. As part of  
13 the monitoring process, by March 1 of the current fiscal year, the  
14 department shall provide a report to the house and senate  
15 appropriations subcommittees on the department budget, the house  
16 and senate fiscal agencies, and the state budget office on the  
17 following:

18 (a) The progress of implementing the Medicaid health plan  
19 common formulary.

20 (b) The participation by the Medicaid health plans in the  
21 Medicaid health plan common formulary.

22 (c) The timeliness of prior authorization approvals or  
23 disapprovals.

24 (d) Any areas of inconsistency across the Medicaid health  
25 plans' implementation of the Medicaid health plan common formulary.

26 Sec. 1809. The department shall establish separate contract  
27 performance standards for Medicaid health plans that adhere to the



1 requirements of section 105d of the social welfare act, 1939 PA  
2 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation  
3 withhold. The determination of the performance of the 0.75%  
4 capitation withhold is at the discretion of the department but must  
5 include recognized concepts such as 1-year continuous enrollment  
6 and the HEDIS audited data. The determination of the performance of  
7 the 0.25% capitation withhold is at the discretion of the  
8 department but must include the utilization of high-value services  
9 and discouraging the utilization of low-value services.

10 Sec. 1810. The department shall enhance encounter data  
11 reporting processes and develop rules that would make each health  
12 plan's encounter data as complete as possible, provide a fair  
13 measure of acuity for each health plan's enrolled population for  
14 risk adjustment purposes, capitation rate setting, diagnosis-  
15 related group rate setting, and research and analysis of program  
16 efficiencies while minimizing health plan administrative expense.

17 Sec. 1812. By June 1 of the current fiscal year, and using the  
18 most recent available cost reports, the department shall complete a  
19 report of all direct and indirect costs associated with residency  
20 training programs for each hospital that receives funds  
21 appropriated in part 1 for graduate medical education. The report  
22 shall be submitted to the house and senate appropriations  
23 subcommittees on the department budget, the house and senate fiscal  
24 agencies, and the state budget office.

25 Sec. 1837. The department shall continue, and expand where  
26 appropriate, utilization of telemedicine and telepsychiatry as  
27 strategies to increase access to services for Medicaid recipients



1 in medically underserved areas.

2       Sec. 1846. From the funds appropriated in part 1 for graduate  
3 medical education, the department shall distribute the funds with  
4 an emphasis on the following health care workforce goals:

5       (a) The encouragement of the training of physicians in  
6 specialties, including primary care, that are necessary to meet the  
7 future needs of residents of this state.

8       (b) The training of physicians in settings that include  
9 ambulatory sites and rural locations.

10       Sec. 1850. The department may allow Medicaid health plans to  
11 assist with the redetermination process through outreach activities  
12 to ensure continuation of Medicaid eligibility and enrollment in  
13 managed care. This may include mailings, telephone contact, or  
14 face-to-face contact with beneficiaries enrolled in the individual  
15 Medicaid health plan. Health plans may offer assistance in  
16 completing paperwork for beneficiaries enrolled in their plan.

17       Sec. 1861. From the funds appropriated in part 1 for  
18 transportation, the department shall increase the number of  
19 counties in which a local public transportation entity is the  
20 primary administrator of the Medicaid nonemergency transportation  
21 benefit. The purpose of this expansion is to improve Medicaid  
22 beneficiary access to care, reduce the number of missed physician  
23 appointments by Medicaid beneficiaries, and reduce time spent by  
24 caseworkers facilitating nonemergency transportation for Medicaid  
25 beneficiaries. Performance goals include an increase in utilization  
26 of local public transportation, a reduction in the rate of trips  
27 reported as missed to no more than 0.5%, and the successful



1 collection of data on program utilization, access, and beneficiary  
2 satisfaction.

3 Sec. 1862. From the funds appropriated in part 1, the  
4 department shall maintain payment rates for Medicaid obstetrical  
5 services at 95% of Medicare levels effective October 1, 2014.

6 Sec. 1866. (1) From the funds appropriated in part 1 for  
7 hospital services and therapy and health plan services,  
8 \$12,000,000.00 in general fund/general purpose revenue and any  
9 associated federal match shall be awarded to hospitals that meet  
10 criteria established by the department for services to low-income  
11 rural residents. One of the reimbursement components of the  
12 distribution formula shall be assistance with labor and delivery  
13 services.

14 (2) No hospital or hospital system shall receive more than  
15 10.0% of the total funding referenced in subsection (1).

16 (3) To allow hospitals to understand their rural payment  
17 amounts under this section, the department shall provide hospitals  
18 with the methodology for distribution under this section and  
19 provide each hospital with its applicable data that are used to  
20 determine the payment amounts by August 1 of the current fiscal  
21 year. The department shall publish the distribution of payments for  
22 the current fiscal year and the immediately preceding fiscal year.

23 Sec. 1867. (1) The department shall convene a workgroup that  
24 includes psychiatrists, other relevant prescribers, and pharmacists  
25 to identify best practices and to develop a protocol for  
26 psychotropic medications. Any changes proposed by the workgroup  
27 shall protect a Medicaid beneficiary's current psychotropic



1 pharmaceutical treatment regimen by not requiring a physician  
2 currently prescribing any treatment to alter or adjust that  
3 treatment.

4 (2) By March 1 of the current fiscal year, the department  
5 shall provide the workgroup's recommendations to the senate and  
6 house appropriations subcommittees on the department budget, the  
7 senate and house fiscal agencies, and the state budget office.

8 Sec. 1873. From the funds appropriated in part 1 for long-term  
9 care services, the department may allocate up to \$3,700,000.00 for  
10 the purpose of outreach and education to nursing home residents and  
11 the coordination of housing in order to move out of the facility.  
12 In addition, any funds appropriated shall be used for other quality  
13 improvement activities of the program. The department shall  
14 consider working with the Area Agencies on Aging Association of  
15 Michigan, the non-Area Agencies on Aging waivers, and the  
16 Disability Network/Michigan to develop a plan for the ongoing  
17 sustainability of the nursing facility transition initiative.

18 Sec. 1874. (1) The department shall ensure, in counties where  
19 program of all-inclusive care for the elderly or PACE services are  
20 available, that the program of all-inclusive care for the elderly  
21 (PACE) is included as an option in all options counseling and  
22 enrollment brokering for aging services and managed care programs,  
23 including, but not limited to, Area Agencies on Aging, centers for  
24 independent living, and the MiChoice home and community-based  
25 waiver. Such options counseling must include approved marketing and  
26 discussion materials.

27 (2) The department shall establish a workgroup that consists



1 of the independent waiver agents, the medical services  
2 administration, and PACE providers, to address PACE program issues  
3 as identified within the state contract with PACE providers. The  
4 workgroup shall, at a minimum, address the following concerns:

5 (a) Timely eligibility processing.

6 (b) Barriers to new enrollment.

7 (c) Future expansion criteria.

8 (3) The department shall report by February 1 of the current  
9 fiscal year to the senate and house appropriations subcommittees on  
10 the department budget, the senate and house fiscal agencies, and  
11 the state budget office on the findings of the workgroup.

12 Sec. 1875. (1) The department and its contractual agents may  
13 not subject Medicaid prescriptions to prior authorization  
14 procedures during the current fiscal year if that drug is carved  
15 out or is not subject to prior authorization procedures as of May  
16 9, 2016, and is generally recognized in a standard medical  
17 reference or the American Psychiatric Association's Diagnostic and  
18 Statistical Manual for the Treatment of a Psychiatric Disorder.

19 (2) The department and its contractual agents may not subject  
20 Medicaid prescriptions to prior authorization procedures during the  
21 current fiscal year if that drug is carved out or is not subject to  
22 prior authorization procedures as of May 9, 2016 and is a  
23 prescription drug that is generally recognized in a standard  
24 medical reference for the treatment of epilepsy or seizure disorder  
25 or organ replacement therapy.

26 (3) As used in this section, "prior authorization" means a  
27 process implemented by the department or its contractual agents



1 that conditions, delays, or denies delivery or particular pharmacy  
2 services to Medicaid beneficiaries upon application of  
3 predetermined criteria by the department or its contractual agents  
4 to those pharmacy services. The process of prior authorization  
5 often requires that a prescriber do 1 or both of the following:

6 (a) Obtain preapproval from the department or its contractual  
7 agents before prescribing a given drug.

8 (b) Verify to the department or its contractual agents that  
9 the use of a drug prescribed for an individual meets predetermined  
10 criteria from the department or its contractual agents for a  
11 prescription drug that is otherwise available under the Medicaid  
12 program in this state.

13 Sec. 1877. By March 1 of the current fiscal year, the  
14 department shall evaluate and report to the house and senate  
15 appropriations subcommittees on the department budget on how the  
16 Healthy Michigan plan has contributed to assisting individuals in  
17 utilizing high-value services, minimized the use of low-value  
18 services, and how individuals' lives may be improving as a result  
19 of their access to services provided through the Healthy Michigan  
20 plan.

21 Sec. 1878. Not later than March 1 of the current fiscal year,  
22 the department shall provide a report to the senate and house  
23 appropriations subcommittees on the department budget, the senate  
24 and house fiscal agencies, the senate and house policy offices, and  
25 the state budget office on hepatitis C tracking data. At a minimum,  
26 the report shall include information on the following for  
27 individuals treated with Harvoni or any other treatment used to



1 cure hepatitis C during the current fiscal year or a previous  
2 fiscal year:

3 (a) The total number of people treated broken down by those  
4 treated through traditional Medicaid and those treated through the  
5 Healthy Michigan plan.

6 (b) The total cost of treatment.

7 (c) The total cost of treatment broken down by those treated  
8 through traditional Medicaid and those treated through the Healthy  
9 Michigan plan.

10 (d) The cure rate broken down by Metavir Score, genotype,  
11 Medicaid match rate, and drug used during treatment.

12 (e) The reinfection rate broken down by Metavir Score,  
13 genotype, Medicaid match rate, and drug used during treatment.

14 Sec. 1882. By December 31 of the current fiscal year, the  
15 department shall report to the senate and house appropriations  
16 subcommittees on the department budget, the senate and house fiscal  
17 agencies, and the state budget office, documentation of the  
18 expenses incurred during the immediate preceding fiscal year by  
19 Medicaid health plans and PIHPs for the purpose of meeting the  
20 contractual requirements to join the Michigan Health Information  
21 Network Shared Services and incentivizing providers to become  
22 members of the Health Information Exchange Qualified Organization.  
23 The report should also include an estimation of the expenses to be  
24 incurred in the current fiscal year by Medicaid health plans and  
25 PIHPs for the same purpose of meeting their contractual  
26 obligations.

27 Sec. 1888. The department shall establish contract performance



1 standards associated with the capitation withhold provisions for  
2 Medicaid health plans in advance of the implementation of those  
3 standards. The determination of whether performance standards have  
4 been met shall be based primarily on recognized concepts such as 1-  
5 year continuous enrollment and the healthcare effectiveness data  
6 and information set, HEDIS, audited data.

7       Sec. 1890. From the funds appropriated in part 1 for  
8 pharmaceutical services, the department shall ensure Medicaid  
9 recipients' access to breast pumps to support and encourage  
10 breastfeeding. The department shall adjust Medicaid policy to, at a  
11 minimum, provide an individual double electric style pump to a  
12 breastfeeding mother when a physician prescribes such a device  
13 based on diagnosis of mother or infant. If the distribution method  
14 for pumps or other equipment is a department contract with durable  
15 medical equipment providers, the department shall guarantee  
16 providers stock and rent to Medicaid recipients without delay or  
17 undue restriction.

18       Sec. 1894. (1) By July 1 of the current fiscal year, the  
19 department shall provide a report to the senate and house  
20 appropriations subcommittees on the department budget, the senate  
21 and house fiscal agencies, and the state budget office on outcomes  
22 and performance measures of the Healthy Kids Dental program.

23       (2) Outcomes and performance measures for the Healthy Kids  
24 Dental program include, but are not limited to, the following:

25       (a) The number of children enrolled in the Healthy Kids Dental  
26 program who visited the dentist during the previous fiscal year.

27       (b) The number of dentists who will accept payment from the



1 Healthy Kids Dental program.

2 (c) The annual change in dental utilization of children  
3 enrolled in the Healthy Kids Dental program.

4 Sec. 1899. (1) The funds appropriated in part 1 for hospice  
5 services shall be expended to provide room and board for Medicaid  
6 beneficiaries who meet hospice eligibility requirements and receive  
7 services at Medicaid-enrolled hospice residences in this state. The  
8 qualifying hospice residences must have been licensed as a hospice  
9 residence as of October 1, 2014. These funds shall be distributed  
10 on a per-bed basis divided equally among the hospice residence beds  
11 that apply for the funds. These funds shall be paid on a lump-sum  
12 quarterly basis.

13 (2) The qualifying hospice residences that receive funds under  
14 this section shall provide a report to the department by September  
15 15 of the current fiscal year that includes the number of  
16 individuals served, number of days served, and cost of serving  
17 those individuals.

18 (3) If the funds appropriated in this section do not cover the  
19 need, the qualifying hospice residences shall report to the  
20 department the number of individuals who did not receive care. If  
21 the funds appropriated in this section are more than the cost to  
22 cover the need, the qualifying hospice residences shall return the  
23 funds to the state.

#### 24 **INFORMATION TECHNOLOGY**

25 Sec. 1901. (1) By December 1 of the current fiscal year, the  
26 department shall report to the senate and house appropriations



1 subcommittees on the department budget, the senate and house fiscal  
2 agencies, the senate and house policy offices, and the state budget  
3 office all of the following information:

4 (a) The process used to define requests for proposals for each  
5 expansion of information technology projects, including timelines,  
6 project milestones, and intended outcomes.

7 (b) If the department decides not to contract the services out  
8 to design and implement each element of the information technology  
9 expansion, the department shall submit its own project plan, which  
10 includes, at a minimum, the requirements in subdivision (a).

11 (c) A recommended project management plan with milestones and  
12 time frames.

13 (d) The proposed benefits from implementing the information  
14 technology expansion, including customer service improvement, form  
15 reductions, potential time savings, caseload reduction, and return  
16 on investment.

17 (2) Once an award for an expansion of information technology  
18 is made, the department shall report to the senate and house  
19 appropriations subcommittees on the department budget, the senate  
20 and house fiscal agencies, the senate and house policy offices, and  
21 the state budget office a projected cost of the expansion broken  
22 down by use and type of expense.

23 Sec. 1902. From the funds appropriated in part 1 for the  
24 Michigan Medicaid information system (MMIS) line item, private  
25 revenue may be received from and allocated for other states  
26 interested in participating as part of the broader MMIS initiative.  
27 By March 1 of the current fiscal year, the department shall provide



1 a report on the use of MMIS by other states for the previous fiscal  
2 year, including a list of states, type of use, and revenue and  
3 expenditures related to the agreements with the other states to use  
4 the MMIS. The report shall be provided to the house and senate  
5 appropriations subcommittees on the department budget, the house  
6 and senate fiscal agencies, and the state budget office.

7       Sec. 1903. (1) The department shall report to the senate and  
8 house appropriations subcommittees on the department budget, the  
9 senate and house fiscal agencies, the senate and house policy  
10 offices, and the state budget office by November 1 of the current  
11 fiscal year an implementation plan regarding the appropriation in  
12 part 1 to implement the MiSACWIS. The plan shall include, but not  
13 be limited to, efforts to bring the system in compliance with the  
14 settlement and other federal guidelines set forth by the United  
15 States Department of Health and Human Services Administration for  
16 Children and Families.

17       (2) The department shall report to the senate and house  
18 appropriations subcommittees on the department budget, the senate  
19 and house fiscal agencies, the senate and house policy offices, and  
20 the state budget office by November 1 of the current fiscal year a  
21 status report on the planning, implementation, and operation,  
22 regardless of the current operational status, regarding the  
23 appropriation in part 1 to implement the MiSACWIS. The report shall  
24 provide details on the planning, implementation, and operation of  
25 the system, including, but not limited to, all of the following:

26       (a) Areas where implementation went as planned.

27       (b) The number of known issues.



1 (c) The average number of help tickets submitted per day.

2 (d) Any additional overtime or other staffing costs to address  
3 known issues and volume of help tickets.

4 (e) Any contract revisions to address known issues and volume  
5 of help tickets.

6 (f) Other strategies undertaken to improve implementation.

7 (g) Progress developing cross-system trusted data exchange  
8 with MiSACWIS.

9 (h) Progress in moving away from a statewide/tribal automated  
10 child welfare information system (SACWIS/TACWIS) to a comprehensive  
11 child welfare information system (CCWIS).

12 (i) Progress developing and implementing a program to monitor  
13 data quality.

14 (j) Progress developing and implementing custom integrated  
15 systems for private agencies and tribal governments.

16 **ONE-TIME BASIS ONLY APPROPRIATIONS**

17 Sec. 1905. From the funds appropriated in part 1 for the  
18 drinking water declaration of emergency, the department shall  
19 allocate funds to address needs in a city in which a declaration of  
20 emergency was issued because of drinking water contamination. These  
21 funds may support, but are not limited to, the following  
22 activities:

23 (a) Nutrition assistance, nutritional and community education,  
24 food bank resources, and food inspections.

25 (b) Epidemiological analysis and case management of  
26 individuals at risk of elevated blood lead levels.



1 (c) Support for child and adolescent health centers,  
2 children's healthcare access program, and pathways to potential  
3 programming.

4 (d) Nursing services, breastfeeding education, evidence-based  
5 home visiting programs, intensive services, and outreach for  
6 children exposed to lead coordinated through local community mental  
7 health organizations.

8 (e) Department field operations costs.

9 (f) Lead poisoning surveillance, treatment, and lead  
10 abatement.

11 Sec. 1906. (1) From the funds appropriated in part 1 for  
12 university autism programs, the department shall continue a grant  
13 process for autism programs. These grants are intended to increase  
14 the number of applied behavioral analysts, increase the number of  
15 autism diagnostic services provided, or increase employment of  
16 individuals who are diagnosed with autism spectrum disorder.

17 (2) As a condition of accepting the grants described in  
18 subsection (1), each university shall track and report back to the  
19 department where the individuals who have completed the applied  
20 behavioral analysis training are initially employed and the  
21 location of the initial employment.

22 (3) Outcomes and performance measures related to this  
23 initiative include, but are not limited to, the following:

24 (a) An increase in applied behavioral analysts certified from  
25 university autism programs.

26 (b) The number of autism diagnostic services provided.

27 (c) The employment rate of employment program participants.



1 (d) The employment rate of applied behavioral analysts trained  
2 through the university autism programs.

3 Sec. 1907. From the funds appropriated in part 1 for child  
4 lead poisoning elimination board, the department shall implement  
5 recommendations of the board offered in the board's report of  
6 November 2016. The recommendations implemented by the department  
7 under this section shall be based in science and best practices,  
8 and the department shall give priority to the implementation of the  
9 recommendations that are most in agreement with recommendations of  
10 nationally recognized organizations and authorities.

11 Sec. 1913. (1) The department shall apply to the Centers for  
12 Medicare and Medicaid Services for a waiver to allow the department  
13 to contract directly with direct primary care providers for  
14 Medicaid services. After the department receives a response from  
15 the Centers for Medicare and Medicaid Services regarding the  
16 waiver, the department shall do 1 of the following:

17 (a) If the Centers for Medicare and Medicaid Services approves  
18 the waiver, from the funds appropriated in part 1 for direct  
19 primary care pilot program, the department shall expend \$710,000.00  
20 general fund/general purpose plus associated federal match for this  
21 program as part of a work project to fund the program for a 3-year  
22 period.

23 (b) If the Centers for Medicare and Medicaid Services does not  
24 approve the waiver, from the funds appropriated in part 1 for  
25 direct primary care pilot program, the department shall expend  
26 \$2,016,000.00 general fund/general purpose to fund a direct primary  
27 care pilot program for a 1-year period.



1 (2) The department shall implement a direct primary care pilot  
2 program for Medicaid recipients in Wayne, Oakland, Kent, Genesee,  
3 and Livingston Counties that shall run from October 1, 2017 to  
4 September 30, 2018. The pilot program shall include 400 recipients  
5 from each of the following Medicaid eligibility categories:

- 6 (a) Childless adults.
- 7 (b) Children ages 0-6 years.
- 8 (c) Children ages 7-18 years.
- 9 (d) Parents.
- 10 (e) Elderly individuals.
- 11 (f) Disabled individuals.

12 (3) For the purposes of the pilot program, each recipient  
13 shall be enrolled in a single, eligible direct primary care service  
14 provider plan. The department shall maintain and publicly share a  
15 list of eligible direct primary care service providers with  
16 potential pilot program enrollees.

17 (4) An eligible direct primary care service provider must meet  
18 the following requirements:

19 (a) The direct primary care service provider must be a  
20 licensed physician in a primary care specialty.

21 (b) The monthly direct primary care enrollment fee shall not  
22 exceed a weighted average of \$70.00 per month across all  
23 eligibility categories. The average shall be weighted by the  
24 population makeup of the pilot program.

25 (c) The direct primary care service provider must not accept  
26 any third-party payments for health care services, other than  
27 retainer fees from the managed care provider with which they have



1 contracted.

2 (d) The direct primary care service provider must only provide  
3 primary care services.

4 (e) The direct primary care service provider plan must  
5 include, but is not limited to, access to telemedicine, and same or  
6 next business day appointments.

7 (5) Managed care organizations contracted by the state to  
8 provide Medicaid services within the county where the pilot program  
9 enrollee lives shall authorize direct primary care service  
10 providers participating in the pilot program to serve as "gateway"  
11 service providers able to refer pilot program enrollees to  
12 nonprimary care services within the managed care organization's  
13 provider network. The managed care provider is not liable for  
14 increased costs resulting from implementation of the pilot program.

15 (6) The department shall have access to the patient records of  
16 each enrollee in the pilot program for the sole purpose of  
17 aggregate data collection.

18 (7) On a quarterly basis, the department shall report to the  
19 house and senate appropriations subcommittees on the department  
20 budget, the house and senate fiscal agencies, the house and senate  
21 policy offices, and the state budget office on the implementation  
22 of the direct primary care pilot program. The report shall include,  
23 but is not limited to, the following performance metrics:

24 (a) The number of enrollees in the pilot program by  
25 eligibility category.

26 (b) The per member per month rate paid in the current fiscal  
27 year per eligibility category.



1 (c) The number of claims paid in the current fiscal year per  
2 eligibility category.

3 (d) The number of claims per category weighted to reflect 400  
4 enrollees.

5 (e) The dollar value of all claims per eligibility category.

6 (f) The per member per month actual cost, which is the direct  
7 primary care service provider plan costs and any managed care costs  
8 not covered through the direct primary care service provider plan,  
9 including managed care provider overhead costs.

10 (g) The average direct primary care cost per enrollee per  
11 eligibility category.

12 (h) The average number of actual claims per eligibility  
13 category.

14 (i) The average actual dollar value of claims per eligibility  
15 category.

16 (j) The number of enrollees in the pilot program during the  
17 previous quarter who are no longer eligible for Medicaid in the  
18 current quarter, broken down by eligibility category.

19 (k) The category savings subtotal, which is the per member per  
20 month rate paid in the current fiscal year minus the per member per  
21 month actual cost, multiplied by the number of enrollees in the  
22 eligibility category.

23 (l) The total savings, which is the per member per month rate  
24 paid in the current fiscal year minus the per member per month  
25 actual cost, multiplied by the total number of enrollees in the  
26 pilot program.

27 (8) Unexpended and unencumbered funds up to a maximum of



1 \$2,016,000.00 general fund/general purpose revenue plus any  
2 associated federal match remaining in accounts appropriated in part  
3 1 for direct primary care pilot program are designated as work  
4 project appropriations, and any unencumbered or unallotted funds  
5 shall not lapse at the end of the fiscal year and shall be  
6 available for expenditures for the direct primary care pilot  
7 program for Medicaid recipients in Wayne, Oakland, Kent, Genesee,  
8 and Livingston Counties under this section until the work projects  
9 have been completed. All of the following are in compliance with  
10 section 451a of the management and budget act, 1984 PA 431, MCL  
11 18.1451a:

12 (a) The purpose of the pilot program is to fund the cost of a  
13 direct primary care pilot program as provided by this section.

14 (b) The project will be accomplished by contracting with a  
15 managed care organization under contract with the department to  
16 provide Medicaid services.

17 (c) The total estimated cost of the project is \$2,016,000.00  
18 of general fund/general purpose revenue plus any associated federal  
19 match.

20 (d) The tentative completion date is September 30, 2020.

21 (9) The department may take out a stop-loss policy to mitigate  
22 the potential cost impact if pilot program per member per month  
23 costs exceed per member per month costs for the program the  
24 enrollee would have been in had he or she not participated in the  
25 pilot program. The cost of the stop-loss policy shall not be used  
26 in the assessment of the success of the pilot program.

27 Sec. 1914. From the funds appropriated in part 1 for primary



1 care and dental health services, \$300,000.00 shall be allocated for  
2 primary care clinic and dental health clinic services for indigent  
3 individuals to be provided in clinic locations in the city of  
4 Detroit and Wayne County by a public nonprofit organization that is  
5 pursuing certification as a federally qualified health center and  
6 is expected to be certified within 2 years.

