

DRAFT 1
SUBSTITUTE FOR
HOUSE BILL NO. 5565

A bill to make appropriations for the department of health and human services for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2019, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
Full-time equated classified positions	15,612.7
Average population	770.0



1	GROSS APPROPRIATION	\$ 25,137,624,400
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers.....	13,813,700
5	ADJUSTED GROSS APPROPRIATION	\$ 25,123,810,700
6	Federal revenues:	
7	Social security act, temporary assistance for needy	
8	families.....	552,359,500
9	Capped federal revenues	592,047,600
10	Total other federal revenues	16,737,130,700
11	Special revenue funds:	
12	Total local revenues	123,112,900
13	Total private revenues	148,409,900
14	Michigan merit award trust fund	52,268,700
15	Total other state restricted revenues	2,409,579,500
16	State general fund/general purpose	\$ 4,508,901,900
17	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
18	Full-time equated unclassified positions	6.0
19	Full-time equated classified positions	797.6
20	Unclassified salaries--6.0 FTE positions	\$ 1,176,100
21	Administrative hearings officers	11,340,000
22	Demonstration projects--7.0 FTE positions	7,358,400
23	Departmental administration and management--603.6 FTE	
24	positions.....	113,659,000
25	Developmental disabilities council and projects--10.0	
26	FTE positions.....	3,090,000
27	Office of inspector general--177.0 FTE positions	22,204,500



1	Property management	65,966,100
2	Terminal leave payments	7,250,000
3	Worker's compensation	<u>7,523,100</u>
4	GROSS APPROPRIATION	\$ 239,567,200
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG from department of education	1,943,300
8	Federal revenues:	
9	Social security act, temporary assistance for needy	
10	families.....	23,489,700
11	Capped federal revenues	20,421,100
12	Total other federal revenues	90,125,000
13	Special revenue funds:	
14	Total local revenues	86,000
15	Total private revenues	3,843,200
16	Total other state restricted revenues	851,400
17	State general fund/general purpose	\$ 98,807,500
18	Sec. 103. CHILD SUPPORT ENFORCEMENT	
19	Full-time equated classified positions.....	185.7
20	Child support enforcement operations--179.7 FTE	
21	positions.....	\$ 22,940,500
22	Child support incentive payments	24,409,600
23	Legal support contracts	113,607,100
24	State disbursement unit--6.0 FTE positions	<u>8,127,500</u>
25	GROSS APPROPRIATION	\$ 169,084,700
26	Appropriated from:	
27	Federal revenues:	



1	Capped federal revenues	1,735,000
2	Total other federal revenues	143,074,600
3	State general fund/general purpose	\$ 24,275,100
4	Sec. 104. COMMUNITY SERVICES AND OUTREACH	
5	Full-time equated classified positions	75.6
6	Bureau of community services and outreach--20.0 FTE	
7	positions.....	\$ 2,571,400
8	Child advocacy centers--0.5 FTE position	1,407,000
9	Community services and outreach administration--11.0	
10	FTE positions.....	1,492,000
11	Community services block grant	25,840,000
12	Crime victim grants administration services--13.0 FTE	
13	positions.....	2,206,500
14	Crime victim justice assistance grants	59,279,300
15	Crime victim rights services grants	18,870,000
16	Domestic violence prevention and treatment--15.6 FTE	
17	positions.....	16,010,100
18	Homeless programs	20,642,700
19	Housing and support services	13,031,000
20	Housing first program	100
21	Michigan community service commission--15.0 FTE	
22	positions.....	11,650,300
23	Rape prevention and services--0.5 FTE position	5,097,300
24	School success partnership program	525,000
25	Uniform statewide sexual assault evidence kit tracking	
26	system.....	800,000
27	Weatherization assistance	<u>16,340,000</u>



1	GROSS APPROPRIATION	\$	195,762,700
2	Appropriated from:		
3	Federal revenues:		
4	Social security act, temporary assistance for needy		
5	families.....		13,189,800
6	Capped federal revenues		67,894,400
7	Total other federal revenues		75,852,300
8	Special revenue funds:		
9	Private - collections		44,100
10	Compulsive gambling prevention fund		1,040,500
11	Sexual assault victims' prevention and treatment fund		3,000,000
12	Child advocacy centers fund		1,407,000
13	Crime victim's rights fund		15,356,600
14	Sexual assault evidence tracking fund		800,000
15	State general fund/general purpose	\$	17,178,000
16	Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD		
17	WELFARE		
18	Full-time equated classified positions		3,844.2
19	Adoption subsidies	\$	204,711,800
20	Adoption support services--10.0 FTE positions		27,417,100
21	Attorney general contract		4,455,800
22	Child abuse and neglect - children's justice act--1.0		
23	FTE position.....		624,700
24	Child care fund		194,562,300
25	Child protection		800,300
26	Child welfare administration travel		375,000
27	Child welfare field staff - caseload compliance--		



1	2,461.0 FTE positions	234,317,000
2	Child welfare field staff - noncaseload compliance--	
3	330.0 FTE positions	35,199,800
4	Child welfare first line supervisors--578.0 FTE	
5	positions	74,179,200
6	Child welfare institute--45.0 FTE positions	8,328,600
7	Child welfare licensing--59.0 FTE positions	7,025,400
8	Child welfare medical/psychiatric evaluations	10,435,500
9	Children's services administration--172.2 FTE	
10	positions	20,430,800
11	Children's trust fund--12.0 FTE positions	4,345,200
12	Contractual services, supplies, and materials	9,300,000
13	Education planners--15.0 FTE positions	1,558,600
14	Family preservation and prevention services	
15	administration--9.0 FTE positions	1,322,100
16	Family preservation programs--13.0 FTE positions	38,900,900
17	Family support subsidy	15,236,100
18	Foster care payments	234,843,400
19	Guardianship assistance program	12,675,500
20	Interstate compact	179,600
21	Peer coaches--45.5 FTE positions	5,838,600
22	Performance-based funding implementation--3.0 FTE	
23	positions	1,450,200
24	Permanency resource managers--28.0 FTE positions	3,254,600
25	Prosecuting attorney contracts	3,879,500
26	Second line supervisors and technical staff--54.0 FTE	
27	positions	9,078,000



1	Settlement monitor	1,885,800
2	Strong families/safe children	12,350,100
3	Title IV-E compliance and accountability office--4.0	
4	FTE positions.....	432,200
5	Youth in transition--4.5 FTE positions	<u>15,787,300</u>
6	GROSS APPROPRIATION	\$ 1,195,181,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of education	90,300
10	Federal revenues:	
11	Social security act, temporary assistance for needy	
12	families.....	352,753,000
13	Capped federal revenues	108,403,600
14	Total other federal revenues	256,456,400
15	Special revenue funds:	
16	Private - collections	1,770,700
17	Local funds - county chargeback	18,728,400
18	Children's trust fund.....	2,895,300
19	State general fund/general purpose	\$ 454,083,300
20	Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE	
21	JUSTICE	
22	Full-time equated classified positions..... 120.5	
23	Bay Pines Center--47.0 FTE positions	\$ 5,623,600
24	Committee on juvenile justice administration--2.5 FTE	
25	positions.....	354,500
26	Committee on juvenile justice grants	3,000,000
27	Community support services--3.0 FTE positions	2,122,700



1	County juvenile officers	3,904,300
2	Juvenile justice, administration and maintenance--21.0	
3	FTE positions.....	3,790,000
4	Juvenile justice data sharing project	100
5	Shawono Center--47.0 FTE positions	5,651,700
6	W.J. Maxey Training School	<u>250,000</u>
7	GROSS APPROPRIATION	\$ 24,696,900
8	Appropriated from:	
9	Federal revenues:	
10	Capped federal revenues	8,411,800
11	Special revenue funds:	
12	Local funds - state share education funds.....	1,355,700
13	Local funds - county chargeback	5,117,400
14	State general fund/general purpose	\$ 9,812,000
15	Sec. 107. PUBLIC ASSISTANCE	
16	Full-time equated classified positions..... 8.0	
17	Emergency services local office allocations	\$ 9,357,500
18	Family independence program	80,150,000
19	Food assistance program benefits	1,931,717,000
20	Food Bank Council of Michigan	2,045,000
21	Indigent burial	4,375,000
22	Low-income home energy assistance program	174,951,600
23	Michigan energy assistance program--1.0 FTE position .	50,000,000
24	Multicultural integration funding	15,303,800
25	Refugee assistance program--7.0 FTE positions	28,011,500
26	State disability assistance payments	8,739,900
27	State supplementation	60,353,200



1	State supplementation administration	<u>1,904,900</u>
2	GROSS APPROPRIATION	\$ 2,366,909,400
3	Appropriated from:	
4	Federal revenues:	
5	Social security act, temporary assistance for needy	
6	families.....	68,943,400
7	Capped federal revenues	203,147,600
8	Total other federal revenues	1,927,517,000
9	Special revenue funds:	
10	Child support collections	11,081,900
11	Supplemental security income recoveries	4,142,700
12	Public assistance recoupment revenue	5,000,000
13	Low-income energy assistance fund	50,000,000
14	State general fund/general purpose	\$ 97,076,800
15	Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES	
16	Full-time equated classified positions	6,337.5
17	Administrative support workers--221.0 FTE positions ..	\$ 13,110,500
18	Adult services field staff--520.0 FTE positions	57,183,700
19	Contractual services, supplies, and materials	16,731,400
20	Donated funds positions--238.0 FTE positions	27,273,300
21	Elder Law of Michigan MiCAFE contract	350,000
22	Electronic benefit transfer (EBT)	8,509,000
23	Employment and training support services	4,219,100
24	Field policy and administration--63.0 FTE positions ..	10,900,900
25	Field staff travel	8,103,900
26	Independent living	12,031,600
27	Medical/psychiatric evaluations	1,420,100



1	Michigan rehabilitation services--526.0 FTE positions	129,881,000
2	Nutrition education--2.0 FTE positions	33,047,400
3	Public assistance field staff--4,747.5 FTE positions .	491,734,700
4	Training and program support--20.0 FTE positions	2,472,200
5	Volunteer services and reimbursement	<u>942,400</u>
6	GROSS APPROPRIATION	\$ 817,911,200
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of corrections	119,700
10	IDG from department of education	7,851,700
11	IDG from department of licensing and regulatory	
12	affairs.....	38,300
13	Federal revenues:	
14	Social security act, temporary assistance for needy	
15	families.....	68,288,200
16	Capped federal revenues	158,672,500
17	Federal supplemental security income	8,588,600
18	Total other federal revenues	262,664,700
19	Special revenue funds:	
20	Local funds - donated funds	4,071,400
21	Local vocational rehabilitation match	5,300,000
22	Private funds - donated funds	9,285,700
23	Private funds - gifts, bequests, and donations	531,500
24	Rehabilitation service fees	150,000
25	State general fund/general purpose	\$ 292,348,900
26	Sec. 109. DISABILITY DETERMINATION SERVICES	
27	Full-time equated classified positions	587.4



1	Disability determination operations--583.3 FTE		
2	positions.....	\$	113,054,600
3	Retirement disability determination--4.1 FTE positions		<u>616,500</u>
4	GROSS APPROPRIATION	\$	113,671,100
5	Appropriated from:		
6	Interdepartmental grant revenues:		
7	IDG from DTMB - office of retirement services		793,600
8	Federal revenues:		
9	Total other federal revenues		108,563,700
10	State general fund/general purpose	\$	4,313,800
11	Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION		
12	AND SPECIAL PROJECTS		
13	Full-time equated classified positions		102.0
14	Behavioral health program administration--80.0 FTE		
15	positions.....	\$	47,989,300
16	Federal and other special projects		2,535,600
17	Gambling addiction--1.0 FTE position		3,009,200
18	Office of recipient rights--21.0 FTE positions		2,763,000
19	Protection and advocacy services support		<u>194,400</u>
20	GROSS APPROPRIATION	\$	56,491,500
21	Appropriated from:		
22	Federal revenues:		
23	Total other federal revenues		31,049,200
24	Special revenue funds:		
25	Total private revenues		1,004,700
26	Total other state restricted revenues		3,009,200
27	State general fund/general purpose	\$	21,428,400



1	Sec. 111. BEHAVIORAL HEALTH SERVICES	
2	Full-time equated classified positions	9.5
3	Autism services	\$ 159,873,100
4	Children with serious emotional disturbance waiver ...	10,000,000
5	Children's waiver home care program	20,241,100
6	Civil service charges	399,300
7	Community mental health non-Medicaid services	125,578,200
8	Community substance use disorder prevention,	
9	education, and treatment	76,956,200
10	Court-appointed guardian and conservator	
11	reimbursements	2,490,000
12	Federal mental health block grant--2.5 FTE positions .	17,465,400
13	Health homes	3,369,000
14	Healthy Michigan plan - behavioral health	292,962,900
15	Medicaid mental health services	2,364,039,500
16	Medicaid substance use disorder services	68,441,000
17	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,282,200
18	State disability assistance program substance use	
19	disorder services	<u>2,018,800</u>
20	GROSS APPROPRIATION	\$ 3,156,116,700
21	Appropriated from:	
22	Federal revenues:	
23	Total other federal revenues	2,066,679,900
24	Special revenue funds:	
25	Total local revenues	25,475,800
26	Total other state restricted revenues	24,212,100
27	State general fund/general purpose	\$ 1,039,748,900



1 **Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC**
 2 **MENTAL HEALTH SERVICES**

3	Total average population.....	770.0	
4	Full-time equated classified positions.....	2,290.6	
5	Caro Regional Mental Health Center - psychiatric		
6	hospital - adult--474.3 FTE positions.....		\$ 53,491,300
7	Average population.....	145.0	
8	Center for forensic psychiatry--601.1 FTE positions ..		94,729,400
9	Average population.....	240.0	
10	Gifts and bequests for patient living and treatment		
11	environment.....		1,000,000
12	Hawthorn Center - psychiatric hospital - children and		
13	adolescents--276.0 FTE positions.....		32,179,800
14	Average population.....	55.0	
15	IDEA, federal special education		120,000
16	Kalamazoo Psychiatric Hospital - adult--533.8 FTE		
17	positions.....		69,457,400
18	Average population.....	170.0	
19	Purchase of medical services for residents of		
20	hospitals and centers.....		445,600
21	Revenue recapture		750,000
22	Special maintenance		924,600
23	Walter P. Reuther Psychiatric Hospital - adult--405.4		
24	FTE positions.....		57,673,400
25	Average population.....	160.0	
26	GROSS APPROPRIATION		\$ 310,771,500
27	Appropriated from:		



1	Federal revenues:	
2	Total other federal revenues	40,231,600
3	Special revenue funds:	
4	Total local revenues	23,029,900
5	Total private revenues	1,000,000
6	Total other state restricted revenues	14,937,000
7	State general fund/general purpose	\$ 231,573,000
8	Sec. 113. HEALTH POLICY	
9	Full-time equated classified positions.....	50.9
10	Certificate of need program administration--11.8 FTE	
11	positions.....	\$ 2,741,600
12	Health policy administration--33.9 FTE positions	14,391,600
13	Human trafficking intervention services	200,000
14	Michigan essential health provider	3,591,300
15	Minority health grants and contracts	612,700
16	Nurse education and research program--3.0 FTE	
17	positions.....	791,300
18	Primary care services--1.2 FTE positions	5,244,200
19	Rural health services--1.0 FTE position	<u>1,555,500</u>
20	GROSS APPROPRIATION	\$ 29,128,200
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from the department of education	2,400
24	IDG from the department of licensing and regulatory	
25	affairs.....	791,300
26	IDG from the department of treasury, Michigan state	
27	hospital finance authority.....	117,700



1	Federal revenues:	
2	Social security act, temporary assistance for needy	
3	families.....	190,900
4	Capped federal revenues	63,400
5	Total other federal revenues	15,608,100
6	Special revenue funds:	
7	Total private revenues	865,000
8	Total other state restricted revenues	2,737,500
9	State general fund/general purpose	\$ 8,751,900
10	Sec. 114. LABORATORY SERVICES	
11	Full-time equated classified positions.....	100.0
12	Laboratory services--100.0 FTE positions	\$ <u>23,580,200</u>
13	GROSS APPROPRIATION	\$ 23,580,200
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from the department of environmental quality	998,400
17	Federal revenues:	
18	Total other federal revenues	3,838,600
19	Special revenue funds:	
20	Total other state restricted revenues	10,799,700
21	State general fund/general purpose	\$ 7,943,500
22	Sec. 115. DISEASE CONTROL, PREVENTION, AND	
23	EPIDEMIOLOGY	
24	Full-time equated classified positions.....	137.9
25	Childhood lead program--4.5 FTE positions	\$ 2,055,300
26	Epidemiology administration--75.1 FTE positions	21,179,800
27	Healthy homes program--12.0 FTE positions	27,754,200



1	Immunization program--12.8 FTE positions	16,838,100
2	Newborn screening follow-up and treatment services--	
3	10.5 FTE positions.....	7,535,600
4	PFAS and environmental contamination response--23.0	
5	FTE positions.....	<u>8,025,300</u>
6	GROSS APPROPRIATION	\$ 83,388,300
7	Appropriated from:	
8	Federal revenues:	
9	Total other federal revenues	53,784,300
10	Special revenue funds:	
11	Total private revenues	342,700
12	Total other state restricted revenues	9,721,500
13	State general fund/general purpose	\$ 19,539,800
14	Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES	
15	Full-time equated classified positions..... 230.2	
16	AIDS prevention, testing, and care programs--37.7 FTE	
17	positions.....	\$ 70,682,000
18	Cancer prevention and control program--15.0 FTE	
19	positions.....	15,101,500
20	Chronic disease control and health promotion	
21	administration--23.4 FTE positions	8,506,800
22	Dental programs--3.8 FTE positions	2,209,100
23	Diabetes and kidney program--8.0 FTE positions	3,062,400
24	Essential local public health services	40,886,100
25	Health and wellness initiatives--11.7 FTE positions ..	9,047,600
26	Implementation of 1993 PA 133, MCL 333.17015	20,000
27	Local health services--3.3 FTE positions	6,707,500



1	Medicaid outreach cost reimbursement to local health	
2	departments.....	12,500,000
3	Public health administration--9.0 FTE positions	1,968,800
4	Sexually transmitted disease control program--20.0 FTE	
5	positions.....	6,333,400
6	Smoking prevention program--12.0 FTE positions	2,168,600
7	Violence prevention--4.9 FTE positions	3,310,400
8	Vital records and health statistics--81.4 FTE	
9	positions.....	<u>10,167,700</u>
10	GROSS APPROPRIATION	\$ 192,671,900
11	Appropriated from:	
12	Federal revenues:	
13	Capped federal revenues	81,100
14	Total other federal revenues	80,208,700
15	Special revenue funds:	
16	Total local revenues	5,150,000
17	Total private revenues	39,282,400
18	Total other state restricted revenues	18,478,000
19	State general fund/general purpose	\$ 49,471,700
20	Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH	
21	Full-time equated classified positions.....	112.3
22	Family, maternal, and child health administration--	
23	53.3 FTE positions.....	\$ 9,221,700
24	Family planning local agreements	8,310,700
25	Local MCH services	7,018,100
26	Pregnancy prevention program	602,100
27	Prenatal care outreach and service delivery support--	



1	14.0 FTE positions.....	19,597,000
2	Special projects	6,289,100
3	Sudden and unexpected infant death and suffocation	
4	prevention program.....	321,300
5	Women, infants, and children program administration	
6	and special projects--45.0 FTE positions	18,125,400
7	Women, infants, and children program local agreements	
8	and food costs.....	<u>256,285,000</u>
9	GROSS APPROPRIATION	\$ 325,770,400
10	Appropriated from:	
11	Federal revenues:	
12	Social security act, temporary assistance for needy	
13	families.....	650,000
14	Total other federal revenues	253,070,500
15	Special revenue funds:	
16	Total local revenues	75,000
17	Total private revenues	61,702,400
18	State general fund/general purpose	\$ 10,272,500
19	Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND	
20	PREPAREDNESS	
21	Full-time equated classified positions..... 76.0	
22	Bioterrorism preparedness--53.0 FTE positions	\$ 30,491,300
23	Emergency medical services program--23.0 FTE positions	<u>6,559,200</u>
24	GROSS APPROPRIATION	\$ 37,050,500
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues	31,435,300



1	Special revenue funds:	
2	Total other state restricted revenues	4,004,900
3	State general fund/general purpose	\$ 1,610,300
4	Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
5	Full-time equated classified positions	46.8
6	Bequests for care and services--2.8 FTE positions	\$ 1,837,800
7	Children's special health care services	
8	administration--44.0 FTE positions	6,101,400
9	Medical care and treatment	220,640,800
10	Nonemergency medical transportation	905,900
11	Outreach and advocacy	<u>5,510,000</u>
12	GROSS APPROPRIATION	\$ 234,995,900
13	Appropriated from:	
14	Federal revenues:	
15	Total other federal revenues	126,143,700
16	Special revenue funds:	
17	Total private revenues	1,016,200
18	Total other state restricted revenues	3,682,900
19	State general fund/general purpose	\$ 104,153,100
20	Sec. 120. AGING AND ADULT SERVICES AGENCY	
21	Full-time equated classified positions	47.0
22	Ageing and adult services administration--47.0 FTE	
23	positions.....	\$ 8,828,300
24	Community services	43,567,400
25	Employment assistance	3,500,000
26	Nutrition services	42,254,200
27	Respite care program	6,468,700



1	Senior volunteer service programs	<u>4,765,300</u>
2	GROSS APPROPRIATION	\$ 109,383,900
3	Appropriated from:	
4	Federal revenues:	
5	Capped federal revenues	371,500
6	Total other federal revenues	59,094,200
7	Special revenue funds:	
8	Total private revenues	520,000
9	Michigan merit award trust fund	4,068,700
10	Total other state restricted revenues	2,000,000
11	State general fund/general purpose	\$ 43,329,500
12	Sec. 121. MEDICAL SERVICES ADMINISTRATION	
13	Full-time equated classified positions	453.0
14	Electronic health record incentive program--23.0 FTE	
15	positions.....	\$ 96,087,400
16	Healthy Michigan plan administration--30.0 FTE	
17	positions.....	47,578,400
18	Medical services administration--357.0 FTE positions .	82,369,800
19	Technology supporting integrated service--43.0 FTE	
20	positions.....	<u>52,299,500</u>
21	GROSS APPROPRIATION	\$ 278,335,100
22	Appropriated from:	
23	Federal revenues:	
24	Social security act, temporary assistance for needy	
25	families.....	749,600
26	Capped federal revenues	910,700
27	Total other federal revenues	233,830,500



1	Special revenue funds:	
2	Total local revenues	37,700
3	Total private revenues	101,300
4	Total other state restricted revenues	336,300
5	State general fund/general purpose	\$ 42,369,000
6	Sec. 122. MEDICAL SERVICES	
7	Adult home help services	\$ 318,424,000
8	Ambulance services	20,922,500
9	Auxiliary medical services	6,139,600
10	Dental clinic program	1,000,000
11	Dental services	307,869,400
12	Federal Medicare pharmaceutical program	286,072,800
13	Health plan services	5,029,343,700
14	Healthy Michigan plan	3,825,430,000
15	Home health services	5,498,000
16	Hospice services	110,207,800
17	Hospital disproportionate share payments	45,000,000
18	Hospital services and therapy	749,940,600
19	Integrated care organizations	201,080,800
20	Long-term care services	1,813,423,300
21	Maternal and child health	26,279,500
22	Medicaid home- and community-based services waiver ...	355,062,600
23	Medicare premium payments	601,305,100
24	Personal care services	9,678,800
25	Pharmaceutical services	322,846,400
26	Physician services	263,526,100
27	Program of all-inclusive care for the elderly	149,774,500



1	School-based services	109,937,200
2	Special Medicaid reimbursement	309,532,500
3	Transportation	<u>19,683,700</u>
4	GROSS APPROPRIATION	\$ 14,887,978,900
5	Appropriated from:	
6	Federal revenues:	
7	Total other federal revenues	10,739,100,300
8	Special revenue funds:	
9	Total local revenues	34,685,600
10	Total private revenues	2,100,000
11	Michigan merit award trust fund	48,200,000
12	Total other state restricted revenues	2,217,935,100
13	State general fund/general purpose	\$ 1,845,957,900
14	Sec. 123. INFORMATION TECHNOLOGY	
15	Child support automation	\$ 44,425,600
16	Information technology services and projects	157,656,000
17	Michigan Medicaid information system	<u>75,634,400</u>
18	GROSS APPROPRIATION	\$ 277,716,000
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from department of education	1,067,000
22	Federal revenues:	
23	Social security act, temporary assistance for needy	
24	families.....	24,104,900
25	Capped federal revenues	21,934,900
26	Total other federal revenues	130,213,500
27	Special revenue funds:	



1	Total private revenues	25,000,000
2	Total other state restricted revenues	1,999,800
3	State general fund/general purpose	\$ 73,395,900
4	Sec. 124. ONE-TIME APPROPRIATIONS	
5	Autism navigator	\$ 1,025,000
6	Child lead poisoning elimination board	625,000
7	Dental clinic program	1,000,000
8	Drinking water declaration of emergency	1,680,100
9	Employment first	500,000
10	Michigan medical resident loan repayment program	5,000,000
11	Multicultural integration	1,381,100
12	University autism programs	<u>250,000</u>
13	GROSS APPROPRIATION	\$ 11,461,200
14	Appropriated from:	
15	Special revenue funds:	
16	Total other state restricted revenues	100
17	State general fund/general purpose	\$ 11,461,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2018-2019

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 2018-2019 is \$6,970,750,100.00 and
 25 state spending from state resources to be paid to local units of



1 government for fiscal year 2018-2019 is \$1,459,338,700.00. 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	\$	9,474,800
7	Housing and support services		550,700

8 CHILDREN'S SERVICES AGENCY - CHILD WELFARE

9	Child care fund	\$	158,787,200
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10 PUBLIC ASSISTANCE

11	Family independence program	\$	4,200
12	Multicultural integration funding		1,193,300
13	State disability assistance payments		621,300

14 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

15	Behavioral health program administration	\$	2,388,700
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16 BEHAVIORAL HEALTH SERVICES

17	Autism services	\$	55,546,900
18	Children with serious emotional disturbance waiver ...		3,555,000
19	Children's waiver home care program		7,195,700
20	Community mental health non-Medicaid services		125,578,200
21	Community substance use disorder prevention,		
22	education, and treatment.....		16,208,500
23	Court-appointed guardian and conservator		
24	reimbursements.....		2,490,000
25	Health homes		70,700
26	Healthy Michigan plan - behavioral health		19,775,100
27	Medicaid mental health services		803,544,200



1	Medicaid substance use disorder services		23,988,800
2	Nursing home PAS/ARR-OBRA		3,070,500
3	State disability assistance program substance use		
4	disorder services.....		2,018,400
5	STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL		
6	HEALTH SERVICES		
7	Caro Regional Mental Health Center - psychiatric		
8	hospital - adult.....	\$	1,200
9	Center for forensic psychiatry		1,400
10	HEALTH POLICY		
11	Primary care services	\$	88,900
12	DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY		
13	Childhood lead program	\$	72,700
14	Epidemiology administration		291,400
15	Healthy homes program		10,000
16	Immunization program		1,138,900
17	LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
18	AIDS prevention, testing, and care programs	\$	2,038,400
19	Cancer prevention and control program		121,400
20	Essential local public health services		35,736,100
21	Health and wellness initiatives		2,363,300
22	Local health services		4,500,000
23	Public health administration		19,800
24	Sexually transmitted disease control program		438,400
25	FAMILY, MATERNAL, AND CHILD HEALTH		
26	Family planning local agreements	\$	225,400
27	Prenatal care outreach and service delivery support ..		3,941,500



1	EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS		
2	Emergency medical services program	\$	71,000
3	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
4	Medical care and treatment	\$	797,200
5	Outreach and advocacy		2,598,100
6	AGING AND ADULT SERVICES AGENCY		
7	Aging and adult services administration	\$	594,100
8	Community services		19,226,700
9	Nutrition services		11,086,900
10	Respite care program		5,224,500
11	Senior volunteer service programs		946,300
12	MEDICAL SERVICES ADMINISTRATION		
13	Medical services administration	\$	282,000
14	MEDICAL SERVICES		
15	Adult home help services	\$	486,300
16	Ambulance services		475,900
17	Auxiliary medical services		1,300
18	Dental services		1,265,400
19	Healthy Michigan plan		4,353,000
20	Home health services		8,200
21	Hospice services		38,100
22	Hospital services and therapy		1,313,400
23	Long-term care services		104,351,600
24	Medicaid home- and community-based services waiver ...		10,995,100
25	Personal care services		23,800
26	Pharmaceutical services		20,300
27	Physician services		4,690,100



1	Special Medicaid reimbursement	5,415,200
2	Transportation	<u>23,200</u>
3	TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	\$ 1,459,338,700

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

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

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

9 (b) "CMHSP" means a community mental health services program
10 as that term is defined in section 100a of the mental health code,
11 1974 PA 258, MCL 330.1100a.

12 (c) "CMS" means the Centers for Medicare and Medicaid
13 Services.

14 (d) "Current fiscal year" means the fiscal year ending
15 September 30, 2019.

16 (e) "Department" means the department of health and human
17 services.

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

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

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

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

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

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



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

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

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

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

9 (p) "IDG" means interdepartmental grant.

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

11 (r) "Medicaid" means subchapter XIX of the social security
12 act, 42 USC 1396 to 1396w-5.

13 (s) "Medicare" means subchapter XVIII of the social security
14 act, 42 USC 1395 to 1395III.

15 (t) "MiCAFE" means Michigan's coordinated access to food for
16 the elderly.

17 (u) "MiChild" means the program described in section 1670 of
18 this part.

19 (v) "MiSACWIS" means Michigan statewide automated child
20 welfare information system.

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

25 (x) "PFAS" means perfluoroalkyl and polyfluoroalkyl
26 substances.

27 (y) "PIHP" means an entity designated by the department as a



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

8 (z) "Previous fiscal year" means the fiscal year ending
9 September 30, 2018.

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

13 (bb) "SSI" means supplemental security income.

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

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

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

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

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

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 the department'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 \$365,234,500.00. From this amount, total agency
24 appropriations for pension-related legacy costs are estimated at
25 \$168,379,300.00. Total agency appropriations for retiree health
26 care legacy costs are estimated at \$196,855,200.00.

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 appropriations subcommittees on the
3 department budget, and the house and senate fiscal agencies and
4 policy offices 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) By February 1 of the current fiscal year, the
23 department shall report to the house and senate appropriations
24 subcommittees on the department budget, the house and senate fiscal
25 agencies, and the state budget director on the detailed name and
26 amounts of estimated federal, restricted, private, and local
27 sources of revenue that support the appropriations in each of the



1 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 Michigan Public Health Institute to carry out these purposes for up
4 to a 3-year period. The department shall report to the house and
5 senate appropriations subcommittees on the department budget, the
6 house and senate fiscal agencies, and the state budget director on
7 or before January 1 of the current fiscal year all of the
8 following:

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

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

13 (c) The expected project duration.

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

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

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



1 the basis of the religious nature of their organization or their
2 guiding principles or statements of faith.

3 Sec. 221. According to section 1b of the social welfare act,
4 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this
5 part as a time-limited addendum to the social welfare act, 1939 PA
6 280, MCL 400.1 to 400.119b.

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

10 (2) The department shall report by April 1 of the current
11 fiscal year on each specific policy change made to implement a
12 public act affecting the department that took effect during the
13 prior calendar year to the house and senate appropriations
14 subcommittees on the budget for the department, the joint committee
15 on administrative rules, the senate and house fiscal agencies, and
16 policy offices. The department shall attach each policy bulletin
17 issued during the prior calendar year to this 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 appropriations subcommittees on the department budget, the
2 house and senate fiscal agencies and policy offices, and the state
3 budget director 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. 228. If a quality assurance assessment payment that the
20 department has the legal right to collect and that resulted from an
21 overpayment by the department to a provider, excluding those caused
22 by department error, is not received by the required due date, the
23 department may assess a penalty of 1% per month until the
24 overpayment is paid back in full. The penalty shall be calculated
25 each month on the unpaid balance of the overpayment as of the first
26 day of the month. This section does not apply to overpayments for
27 which the department has other legal authority to assess a penalty.



1 The state share of any funds collected under this section shall be
2 deposited in the state general fund.

3 Sec. 229. (1) The department shall extend the interagency
4 agreement with the Michigan talent investment agency for the
5 duration of the current fiscal year, which concerns TANF funding to
6 provide job readiness and welfare-to-work programming. The
7 interagency agreement shall include specific outcome and
8 performance reporting requirements as described in this section.
9 TANF funding provided to the Michigan talent investment agency in
10 the current fiscal year is contingent on compliance with the data
11 and reporting requirements described in this section. The
12 interagency agreement must require the Michigan talent investment
13 agency to provide all of the following items by January 1 of the
14 current fiscal year for the previous fiscal year to the senate and
15 house appropriations subcommittees on the department budget and the
16 state budget office:

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

19 (i) Direct services to recipients.

20 (ii) Administrative expenditures.

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

23 (i) The number and percentage who obtained employment through
24 Michigan Works!

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

27 (iii) Average TANF spending per recipient.



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

4 (2) By March 1 of the current fiscal year, the department
5 shall provide to the senate and house appropriations subcommittees
6 on the department budget, the senate and house fiscal agencies, the
7 senate and house policy offices, and the state budget office an
8 annual report on the following matters itemized by Michigan Works!
9 agency: the number of referrals to Michigan Works! job readiness
10 programs, the number of referrals to Michigan Works! job readiness
11 programs who became a participant in the Michigan Works! job
12 readiness programs, the number of participants who obtained
13 employment, and the cost per participant case.

14 Sec. 231. From the funds appropriated in part 1 for travel
15 reimbursements to employees, the department shall allocate up to
16 \$100,000.00 toward reimbursing counties for the out-of-pocket
17 travel costs of the local county department board members and
18 county department directors to attend 1 meeting per year of the
19 Michigan County Social Services Association.

20 Sec. 232. (1) The department shall provide the approved
21 spending plan for each line item receiving an appropriation in the
22 current fiscal year to the senate and house appropriations
23 subcommittees on the department budget and the senate and house
24 fiscal agencies within 60 days of approval by the department but
25 not later than January 15 of the current fiscal year. The spending
26 plan shall include the following information regarding planned
27 expenditures for each category: allocation in the previous period,



1 change in the allocation, and new allocation. The spending plan
2 shall include the following information regarding each revenue
3 source for the line item: category of the fund source indicated by
4 general fund/general purpose, state restricted, local, private or
5 federal. Figures included in the approved spending plan shall not
6 be assumed to constitute the actual final expenditures, as line
7 items may be updated on an as-needed basis to reflect changes in
8 projected expenditures and projected revenue. The department shall
9 supplement the spending plan information by providing a list of all
10 active contracts and grants in the department's contract systems.

11 (2) Notwithstanding any other appropriation authority granted
12 in part 1, the department shall not appropriate any additional
13 general fund/general purpose funds or any related federal and state
14 restricted funds without providing a written 30-day notice to the
15 senate and house appropriations subcommittees on the department
16 budget, the senate and house fiscal agencies, and the senate and
17 house policy offices.

18 Sec. 252. The appropriations in part 1 for Healthy Michigan
19 plan - behavioral health, Healthy Michigan plan administration, and
20 Healthy Michigan plan are contingent on the provisions of the
21 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, that were
22 contained in 2013 PA 107 not being amended, repealed, or otherwise
23 altered to eliminate the Healthy Michigan plan. If that occurs,
24 then, upon the effective date of the amendatory act that amends,
25 repeals, or otherwise alters those provisions, the remaining funds
26 in the Healthy Michigan plan - behavioral health, Healthy Michigan
27 plan administration, and Healthy Michigan plan line items shall



1 only be used to pay previously incurred costs and any remaining
2 appropriations shall not be allotted to support those line items.

3 Sec. 263. (1) Except as otherwise provided in this subsection,
4 before submission of a waiver, a state plan amendment, or a similar
5 proposal to CMS or other federal agency, the department shall
6 provide written notification of the planned submission to the house
7 and senate appropriations subcommittees on the department budget,
8 the house and senate fiscal agencies and policy offices, and the
9 state budget office. This subsection does not apply to the
10 submission of a waiver, a state plan amendment, or similar proposal
11 that does not propose a material change or is outside of the
12 ordinary course of waiver, state plan amendment, or similar
13 proposed submissions.

14 (2) The department shall provide written biannual reports to
15 the senate and house appropriations subcommittees on the department
16 budget, the senate and house fiscal agencies, and the state budget
17 office summarizing the status of any new or ongoing discussions
18 with CMS or the United States Department of Health and Human
19 Services or other federal agency regarding potential or future
20 waiver applications as well as the status of submitted waivers that
21 have not yet received federal approval. If, at the time a biannual
22 report is due, there are no reportable items, then no report is
23 required to be provided.

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

27 Sec. 270. The department shall advise the legislature of the



1 receipt of a notification from the attorney general's office of a
2 legal action in which expenses had been recovered pursuant to
3 section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106.
4 By February 1 of the current fiscal year, the department shall
5 submit a written 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 that includes, at a minimum,
8 all of the following:

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

10 (b) The program or service for which the money was originally
11 expended.

12 (c) Details on the disposition of the funds recovered such as
13 the appropriation or revenue account in which the money was
14 deposited.

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

16 Sec. 274. (1) The department, in collaboration with the state
17 budget office, shall submit 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 1 week after the
20 day the governor submits to the legislature the budget for the
21 ensuing fiscal year a report on spending and revenue projections
22 for each of the capped federal funds listed below. The report shall
23 contain actual spending and revenue in the previous fiscal year,
24 spending and revenue projections for the current fiscal year as
25 enacted, and spending and revenue projections within the executive
26 budget proposal for the fiscal year beginning October 1, 2019 for
27 each individual line item for the department budget. The report



1 shall also include federal funds transferred to other departments.
2 The capped federal funds shall include, but not be limited to, all
3 of the following:

4 (a) TANF.

5 (b) Title XX social services block grant.

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

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

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

10 (2) It is the intent of the legislature that the department,
11 in collaboration with the state budget office, not utilize capped
12 federal funding for economics adjustments for FTEs or other
13 economics costs that are included as part of the budget submitted
14 to the legislature by the governor for the ensuing fiscal year,
15 unless there is a reasonable expectation for increased federal
16 funding to be available to the department from that capped revenue
17 source in the ensuing fiscal year.

18 Sec. 275. (1) As part of the year-end closing process, the
19 department, with the approval of the state budget director, is
20 authorized to realign sources between other federal, TANF, and
21 capped federal financing authorizations in order to maximize
22 federal revenues. This realignment of financing shall not produce a
23 gross increase or decrease in the department's total individual
24 line item authorizations, nor will it produce a net increase or
25 decrease in total federal revenues, or a net increase in TANF
26 authorization.

27 (2) Not later than November 30, the department shall submit to



1 the house and senate appropriations subcommittees on the department
2 budget, the house and senate fiscal agencies, and the house and
3 senate policy offices a report on the realignment of federal fund
4 sources that took place as part of the year-end closing process for
5 the previous fiscal year.

6 Sec. 279. (1) All master contracts relating to foster care and
7 adoption services as funded by the appropriations in section 105 of
8 part 1 shall be performance-based contracts that employ a client-
9 centered results-oriented process that is based on measurable
10 performance indicators and desired outcomes and includes the annual
11 assessment of the quality of services provided.

12 (2) By February 1 of the current fiscal year, the department
13 shall provide the senate and house appropriations subcommittees on
14 the department budget, the senate and house fiscal agencies and
15 policy offices, and the state budget office a report detailing
16 measurable performance indicators, desired outcomes, and an
17 assessment of the quality of services provided by the department
18 during the previous fiscal year.

19 Sec. 280. By March 1 of the current fiscal year, the
20 department shall provide a report to the house and senate
21 appropriations committees, the house and senate fiscal agencies,
22 the house and senate policy offices, and the state budget director
23 that provides all of the following for each line item in part 1
24 containing personnel-related costs, including the specific
25 individual amounts for salaries and wages, payroll taxes, and
26 fringe benefits:

27 (a) FTE authorization.



1 (b) Spending authorization for personnel-related costs, by
2 fund source, under the spending plan.

3 (c) Actual year-to-date expenditures for personnel-related
4 costs, by fund source, through the end of the prior month.

5 (d) The projected year-end balance or shortfall for personnel-
6 related costs, by fund source, based on actual monthly spending
7 levels through the end of the prior month.

8 (e) A specific plan for addressing any projected shortfall for
9 personnel-related costs at either the gross or fund source level.

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

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

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

26 Sec. 289. By March 1 of the current fiscal year, the
27 department shall provide to the senate and house appropriations



1 subcommittees on the department budget, the senate and house fiscal
2 agencies, and the senate and house policy offices an annual report
3 on the supervisor-to-staff ratio by department divisions and
4 subdivisions.

5 Sec. 290. Any public advertisement for public assistance shall
6 also inform the public of the welfare fraud hotline operated by the
7 department.

8 Sec. 295. (1) From the funds appropriated in part 1 to
9 agencies providing physical and behavioral health services to
10 multicultural populations, the department shall award grants in
11 accordance with the requirements of subsection (2). The state is
12 not liable for any spending above the contract amount. Funds shall
13 not be released until reporting requirements under section 295 of
14 article X of 2017 PA 107 are satisfied.

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

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

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

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



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

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

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

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

19 Sec. 296. From the funds appropriated in part 1, the
20 department shall be responsible for the necessary and reasonable
21 attorney fees and costs incurred by private and independent legal
22 counsel chosen by current and former classified and unclassified
23 department employees in the defense of those employees in any state
24 or federal lawsuit or investigation related to the water system in
25 a city in which a declaration of emergency was issued because of
26 drinking water contamination.

27 Sec. 297. By April 1 of the current fiscal year, the



1 department shall report on the number of FTEs in pay status by type
2 of staff. The report shall include a comparison by line item of the
3 number of FTEs authorized from funds appropriated in part 1 to the
4 actual number of FTEs employed by the department at the end of the
5 reporting period.

6 Sec. 298. (1) The department shall continue to pursue the
7 implementation of the demonstration model as specified under
8 section 298(2) of article X of 2017 PA 107. The department shall
9 ensure that the demonstration model described in this subsection is
10 implemented in a manner that ensures at least all of the following:

11 (a) That any changes made to a Medicaid waiver or Medicaid
12 state plan to implement the demonstration model described in this
13 subsection must only be in effect for the duration of the
14 demonstration model described in this subsection.

15 (b) That the demonstration model described in this subsection
16 is consistent with the stated core values as identified in the
17 final report of the workgroup established in section 298 of article
18 X of 2016 PA 268.

19 (c) That updates are provided to the medical care advisory
20 council, behavioral health advisory council, and developmental
21 disabilities council.

22 (2) The department shall continue to pursue the implementation
23 of up to 3 pilot projects as specified under section 298(3) of
24 article X of 2017 PA 107. The department shall ensure that the
25 pilot projects described in this subsection are implemented in a
26 manner that ensures at least all of the following:

27 (a) That allows the CMHSP in the geographic area of the pilot



1 project to be a provider of behavioral health supports and
2 services.

3 (b) That any changes made to a Medicaid waiver or Medicaid
4 state plan to implement the pilot projects described in this
5 subsection must only be in effect for the duration of the pilot
6 projects described in this subsection.

7 (c) That the project is consistent with the stated core values
8 as identified in the final report of the workgroup established in
9 section 298 of article X of 2016 PA 268.

10 (d) That updates are provided to the medical care advisory
11 council, behavioral health advisory council, and developmental
12 disabilities council.

13 (3) The department shall ensure that the pilot projects and
14 demonstration model described in subsections (1) and (2) are
15 operational for the entire current fiscal year. Each pilot project
16 shall be designed to last at least 2 years.

17 (4) For the duration of any pilot projects and demonstration
18 model, the department shall require that contracts between CMHSPs
19 and the Medicaid health plans within their pilot region mandate
20 that any and all realized benefits and cost savings of integrating
21 the physical health and behavioral health systems shall be
22 reinvested in services and supports for individuals having or at
23 risk of having a mental illness, an intellectual or developmental
24 disability, or a substance use disorder. Any and all realized
25 benefits and cost savings shall be specifically reinvested in the
26 counties where the savings occurred in accordance with the Medicaid
27 state plan and any applicable Medicaid waiver.



1 (5) It is the intent of the legislature that the primary
2 purpose of the pilot projects and demonstration model is to test
3 how the state may better integrate behavioral and physical health
4 delivery systems in order to improve behavioral and physical health
5 outcomes, maximize efficiencies, minimize unnecessary costs, and
6 achieve material increases in behavioral health services without
7 increases in overall Medicaid spending.

8 (6) The department shall continue to partner with 1 of the
9 state's research universities to evaluate any pilot project and
10 demonstration model that is authorized under this section. The
11 evaluation shall comply with all of the following:

12 (a) Include information on the pilot project's or
13 demonstration model's success in meeting the performance metrics
14 developed in this subsection and information on whether the pilot
15 project could be replicated into other geographic areas with
16 similar performance metric outcomes.

17 (b) Include the performance metrics, at a minimum, from each
18 of the following categories:

19 (i) Improvement of the coordination between behavioral health
20 and physical health.

21 (ii) Improvement of services available to individuals with
22 mental illness, intellectual or developmental disabilities, or
23 substance use disorders.

24 (iii) Benefits associated with full access to community-based
25 services and supports.

26 (iv) Customer health status.

27 (v) Customer satisfaction.



1 (vi) Provider network stability.

2 (vii) Treatment and service efficacies before and after the
3 pilot projects and demonstration model.

4 (viii) Use of best practices.

5 (ix) Financial efficiencies.

6 (x) Barriers to clinical data sharing with Medicaid health
7 plans.

8 (xi) Any other relevant categories.

9 (c) Be completed within 6 months of the end of the pilot
10 project or demonstration model and be provided to the department,
11 the house and senate appropriations subcommittees on the department
12 budget, the house and senate fiscal agencies, the house and senate
13 policy offices, and the state budget office.

14 (7) Upon completion of any pilot project or demonstration
15 model advanced under this section, the managing entity of the pilot
16 project or demonstration model shall submit a report to the senate
17 and house appropriations subcommittees on the department budget,
18 the senate and house fiscal agencies, the senate and house policy
19 offices, and the state budget office within 30 days of completion
20 of that pilot project or demonstration model detailing their
21 experience, lessons learned, efficiencies and savings revealed,
22 increases in investment on behavioral health services, and
23 recommendations for extending pilot projects to full implementation
24 or discontinuation.

25 Sec. 299. (1) No state department or agency shall issue a
26 request for proposal (RFP) for a contract in excess of
27 \$5,000,000.00, unless the department or agency has first considered



1 issuing a request for information (RFI) or a request for
2 qualification (RFQ) relative to that contract to better enable the
3 department or agency to learn more about the market for the
4 products or services that are the subject of the RFP. The
5 department or agency shall notify the department of technology,
6 management, and budget of the evaluation process used to determine
7 if an RFI or RFQ was not necessary prior to issuing the RFP.

8 (2) From funds appropriated in part 1, for all RFPs issued
9 during the current fiscal year where an existing service received
10 proposals by multiple vendors, the department shall notify all
11 vendors within 30 days of the RFP decision. The notification to
12 vendors shall include details on the RFP process, including the
13 respective RFP scores and the respective cost for each vendor. If
14 the highest scored RFP or lowest cost RFP does not receive the
15 contract for an existing service offered by the department, the
16 notification shall issue an explanation for the reasons that the
17 highest scored RFP or lowest cost RFP did not receive the contract
18 and detail the incremental cost target amount or service level
19 required that was required to migrate the service to a new vendor.
20 Additionally, the department shall include in the notification
21 details as to why a cost or service difference is justifiable if
22 the highest scored or lowest cost vendor does not receive the
23 contract.

24 (3) The department shall submit to the senate and house
25 appropriations subcommittees on the department budget, the senate
26 and house fiscal agencies, the senate and house policy offices, and
27 the state budget office by September 30 of the current fiscal year



1 a report that summarizes all RFPs during the current fiscal year
2 where an existing service received proposals by multiple vendors.
3 The report shall list all finalized RFPs where there was a
4 divergence from awarding the contract to the lowest cost or highest
5 scoring vendor. The report shall also include the cost or service
6 threshold required by department policy that must be satisfied in
7 order for an existing contract to be received by a new vendor.

8 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

9 Sec. 307. (1) From the funds appropriated in part 1 for
10 demonstration projects, \$950,000.00 shall be distributed as
11 provided in subsection (2). The amount distributed under this
12 subsection shall not exceed 50% of the total operating expenses of
13 the program described in subsection (2), with the remaining 50%
14 paid by local United Way organizations and other nonprofit
15 organizations and foundations.

16 (2) Funds distributed under subsection (1) shall be
17 distributed to Michigan 2-1-1, a nonprofit corporation organized
18 under the laws of this state that is exempt from federal income tax
19 under section 501(c)(3) of the internal revenue code of 1986, 26
20 USC 501, and whose mission is to coordinate and support a statewide
21 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill
22 the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in
23 January 2005.

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



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

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

15 **CHILD SUPPORT ENFORCEMENT**

16 Sec. 401. (1) The appropriations in part 1 assume a total
17 federal child support incentive payment of \$26,500,000.00.

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

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

25 (4) If the child support incentive payment to the state from
26 the federal government is greater than \$26,500,000.00, then 100% of



1 the excess shall be retained by the state and is appropriated until
2 the total retained by the state reaches \$15,397,400.00.

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

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

11 Sec. 409. (1) If statewide retained child support collections
12 exceed \$38,300,000.00, 75% of the amount in excess of
13 \$38,300,000.00 is appropriated to legal support contracts. This
14 excess appropriation may be distributed to eligible counties to
15 supplement and not supplant county title IV-D funding.

16 (2) Each county whose retained child support collections in
17 the current fiscal year exceed its fiscal year 2004-2005 retained
18 child support collections, excluding tax offset and financial
19 institution data match collections in both the current fiscal year
20 and fiscal year 2004-2005, shall receive its proportional share of
21 the 75% excess.

22 Sec. 410. (1) If title IV-D-related child support collections
23 are escheated, the state budget director is authorized to adjust
24 the sources of financing for the funds appropriated in part 1 for
25 legal support contracts to reduce federal authorization by 66% of
26 the escheated amount and increase general fund/general purpose
27 authorization by the same amount. This budget adjustment is



1 required to offset the loss of federal revenue due to the escheated
2 amount being counted as title IV-D program income in accordance
3 with federal regulations at 45 CFR 304.50.

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

8 **COMMUNITY SERVICES AND OUTREACH**

9 Sec. 450. (1) From the funds appropriated in part 1 for school
10 success partnership program, the department shall allocate
11 \$525,000.00 by December 1 of the current fiscal year to support the
12 Northeast Michigan Community Service Agency programming, which will
13 take place in each county in the Governor's Prosperity Region 3.
14 The department shall require the following performance objectives
15 be measured and reported for the duration of the state funding for
16 the school success partnership program:

17 (a) Increasing school attendance and decreasing chronic
18 absenteeism.

19 (b) Increasing academic performance based on grades with
20 emphasis on math and reading.

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

23 (d) Increasing parent involvement with the parent's child's
24 school and community.

25 (2) The Northeast Michigan Community Service Agency shall
26 provide reports to the department on January 31 and June 30 of the



1 current fiscal year on the number of children and families served
2 and the services that were provided to families to meet the
3 performance objectives identified in this section. The department
4 shall distribute the reports within 1 week after receipt to the
5 senate and house appropriations subcommittees on the department
6 budget, the senate and house fiscal agencies, the senate and house
7 policy offices, and the state budget office.

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

13 Sec. 453. From the funds appropriated in part 1 for homeless
14 programs, the department shall maintain emergency shelter program
15 per diem rates at \$16.00 per bed night to support efforts of
16 shelter providers to move homeless individuals and households into
17 permanent housing as quickly as possible. Expected outcomes are
18 increased shelter discharges to stable housing destinations,
19 decreased recidivism rates for shelter clients, and a reduction in
20 the average length of stay in emergency shelters.

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

25 Sec. 455. As a condition of receipt of federal TANF funds,
26 homeless shelters and human services agencies shall collaborate
27 with the department to obtain necessary TANF eligibility



1 information on families as soon as possible after admitting a
2 family to the homeless shelter. From the funds appropriated in part
3 1 for homeless programs, the department is authorized to make
4 allocations of TANF funds only to the homeless shelters and human
5 services agencies that report necessary data to the department for
6 the purpose of meeting TANF eligibility reporting requirements.
7 Homeless shelters or human services agencies that do not report
8 necessary data to the department for the purpose of meeting TANF
9 eligibility reporting requirements will not receive reimbursements
10 that exceed the per diem amount they received in fiscal year 2000.
11 The use of TANF funds under this section is not an ongoing
12 commitment of funding.

13 Sec. 457. (1) From the funds appropriated in part 1 for the
14 uniform statewide sexual assault evidence kit tracking system, in
15 accordance with the final report of the Michigan sexual assault
16 evidence kit tracking and reporting commission, \$800,000.00 is
17 allocated from the sexual assault evidence tracking fund to
18 contract for development and implementation of a uniform statewide
19 sexual assault evidence kit tracking system. The system shall
20 include the following:

21 (a) A uniform statewide system to track the submission and
22 status of sexual assault evidence kits.

23 (b) A uniform statewide system to audit untested kits that
24 were collected on or before March 1, 2015 and were released by
25 victims to law enforcement.

26 (c) Secure electronic access for victims.

27 (d) The ability to accommodate concurrent data entry with kit



1 collection through various mechanisms, including web entry through
2 computer or smartphone, and through scanning devices.

3 (2) By March 30 of the current fiscal year, the department
4 shall submit to the senate and house appropriations subcommittees
5 on the department budget, the senate and house fiscal agencies, the
6 senate and house policy offices, and the state budget office a
7 status report on implementation and operation of the uniform
8 statewide sexual assault evidence kit tracking system, including
9 operational status and any known issues regarding implementation.

10 (3) The sexual assault evidence tracking fund established in
11 section 1451 of 2017 PA 158 shall continue to be maintained in the
12 department of treasury. Money in the sexual assault evidence
13 tracking fund at the close of a fiscal year shall remain in the
14 sexual assault evidence tracking fund and shall not revert to the
15 general fund and shall be appropriated as provided by law for the
16 development and implementation of a uniform statewide sexual
17 assault evidence kit tracking system as described in subsection
18 (1).

19 (4) By September 30 of the current fiscal year, the department
20 shall submit to the senate and house appropriations subcommittees
21 on the department budget, the senate and house fiscal agencies, the
22 senate and house policy offices, and the state budget office a
23 report on the findings of the annual audit of the proper submission
24 of sexual assault evidence kits as required by the sexual assault
25 kit evidence submission act, 2014 PA 227, MCL 752.931 to 752.935.
26 The report must include, but is not limited to, a detailed county-
27 by-county compilation of the number of sexual assault evidence kits



1 that were properly submitted and the number that met or did not
2 meet deadlines established in the sexual assault kit evidence
3 submission act, 2014 PA 227, MCL 752.931 to 752.935, the number of
4 kits retrieved by law enforcement after analysis, and the physical
5 location of all released kits collected by health care providers in
6 that year, as of the date of the annual draft report for each
7 reporting agency.

8 Sec. 458. From the funds appropriated in part 1 for crime
9 victim rights services grants, the department shall allocate
10 \$2,000,000.00 state general fund/general purpose to increase grant
11 funding to support the further use of crime victim advocates in the
12 criminal justice system. The purpose of the additional funding is
13 to increase available grant funding for crime victim advocates to
14 ensure that the advocates have the resources, training, and funding
15 needed to respond to the physical and emotional needs of crime
16 victims, provide victims with the necessary services, information,
17 and assistance in order to help them understand and participate in
18 the criminal justice system and experience a measure of safety and
19 security throughout the legal process.

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

21 Sec. 501. (1) A goal is established that not more than 25% of
22 all children in foster care at any given time during the current
23 fiscal year, if in the best interest of the child, will have been
24 in foster care for 24 months or more.

25 (2) By March 1 of the current fiscal year, the department
26 shall provide to the senate and house appropriations subcommittees



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

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

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

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

25 (3) By March 1 of the current fiscal year, the department
26 shall provide to the senate and house appropriations committees on
27 the department budget, the senate and house fiscal agencies and



1 policy offices, and the state budget office a report on the full
2 cost analysis of the performance-based funding model. The report
3 shall include background information on the project and give
4 details about the contractual costs covered through the case rate.

5 (4) In accordance with the final report of the Michigan child
6 welfare performance-based funding task force issued in response to
7 section 503 of article X of 2013 PA 59, the department shall
8 continue an independent, third-party evaluation of the performance-
9 based funding model.

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

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



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

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

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

26 (3) By March 1 of the current fiscal year, the consortium
27 shall provide to the department and the house and senate



1 appropriations subcommittees on the department budget a report on
2 the consortium, including, but not limited to, actual expenditures,
3 number of children placed by agencies in the consortium, fund
4 balance of the consortium, and the status of the consortium
5 evaluation.

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

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

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

26 (2) The department and the child abuse and neglect prevention
27 board shall collaborate to ensure that administrative delays are



1 avoided and the local grant recipients and direct service providers
2 receive money in an expeditious manner. The department and board
3 shall make available the children's trust fund contract funds to
4 grantees within 31 days of the start date of the funded project.

5 (3) From the funds appropriated in part 1 for the children's
6 trust fund, \$500,000.00 shall be allocated to provide additional
7 funding to children's trust fund designated local councils for
8 increased substance use disorder programs. The \$500,000.00
9 additional allocation shall be funded by \$300,000.00 children's
10 trust fund cash reserve balance and \$200,000.00 state general
11 fund/general purpose. The purpose of this additional funding is to
12 increase the amount of services for substance use disorders that is
13 provided by local councils over the amount provided in the previous
14 fiscal year.

15 Sec. 511. The department shall provide semi-annual reports to
16 the senate and house appropriations subcommittees on the department
17 budget, the senate and house standing committees on families and
18 human services, and the senate and house fiscal agencies and policy
19 offices on the number and percentage of children who received
20 timely physical and mental health examinations after entry into
21 foster care. The goal of the program is that at least 85% of
22 children receive timely physical and mental health examinations
23 after entry into foster care.

24 Sec. 512. (1) As required by the settlement, by March 1 of the
25 current fiscal year, the department shall report to the senate and
26 house appropriations subcommittees on the department budget, the
27 senate and house fiscal agencies, the senate and house policy



1 offices, and the state budget office on the following information
2 for cases of child abuse or child neglect from the previous fiscal
3 year:

4 (a) The total number of relative care placements.

5 (b) The total number of relatives with a placement who became
6 licensed.

7 (c) The number of waivers of foster care licensure granted to
8 relative care providers.

9 (d) The number of waivers of foster care denied to relative
10 care providers.

11 (e) A list of the reasons from a sample of cases the
12 department denied granting a waiver of foster care licensure for a
13 relative care provider.

14 (f) A list of the reasons from a sample of cases where
15 relatives were declined foster care licensure as documented by the
16 department.

17 (2) The caseworker shall request a waiver of foster care
18 licensure if both of the following apply:

19 (a) The caseworker has fully informed the relative of the
20 benefits of licensure and the option of a licensure waiver.

21 (b) The caseworker has assessed the relative and the
22 relative's home using the department's initial relative safety
23 screen and the department's relative home assessment and has
24 determined that the relative's home is safe and placement there is
25 in the child's best interest.

26 Sec. 513. (1) The department shall not expend funds
27 appropriated in part 1 to pay for the direct placement by the



1 department of a child in an out-of-state facility unless all of the
2 following conditions are met:

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

5 (b) An out-of-state placement exists that is nearer to the
6 child's home than the closest appropriate in-state placement as
7 determined by the department interstate compact office.

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

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

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

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

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



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

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

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

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

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

23 (iv) The number of cases that resulted in the separation of
24 the child from the parent or guardian and the period of time of
25 that separation, up to and including termination of parental
26 rights.

27 (v) For the reported complaints of child abuse or child



1 neglect by teachers, school administrators, and school counselors,
2 the number of cases classified under category I or category II and
3 the number of cases classified under category III, category IV, or
4 category V.

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

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

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

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

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

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

22 (iv) The number of cases in category III for which the
23 department entered more than 1 determination that there was
24 evidence of child abuse or child neglect.

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

27 (vi) The number of cases in category III that the department



1 reclassified from category III to category I.

2 (vii) The number of cases in category III that the department
3 reclassified from category III to category I that resulted in a
4 removal.

5 (d) The department policy, or changes to the department
6 policy, regarding children who have been exposed to the production
7 or manufacture of methamphetamines.

8 Sec. 519. The department shall permit any private agency that
9 has an existing contract with this state to provide foster care
10 services to be also eligible to provide treatment foster care
11 services.

12 Sec. 520. To the extent that the data are available, the
13 department shall submit a report to the house and senate
14 appropriations subcommittees on the department budget, the house
15 and senate fiscal agencies, the house and senate policy offices,
16 and the state budget office by February 15 of the current fiscal
17 year on the number of days of care and expenditures by funding
18 source for the previous year for out-of-home placements by specific
19 placement programs for child abuse or child neglect, including, but
20 not limited to, paid relative placement, department direct family
21 foster care, private agency supervised foster care, private child
22 caring institutions, county-supervised facilities, court-supervised
23 facilities, and independent living. The report shall also identify
24 days of care for department-operated residential juvenile justice
25 facilities by security classification.

26 Sec. 522. (1) From the funds appropriated in part 1 for youth
27 in transition, the department shall allocate \$750,000.00 for



1 scholarships through the fostering futures scholarship program in
2 the Michigan education trust to youths who were in foster care
3 because of child abuse or child neglect and are attending a college
4 or a career technical educational institution located in this
5 state. Of the funds appropriated, 100% shall be used to fund
6 scholarships for the youths described in this section.

7 (2) By March 1 of the current fiscal year, the department
8 shall provide a report to the senate and house appropriations
9 subcommittees on the department budget, the senate and house fiscal
10 agencies, the senate and house policy offices, and the state budget
11 office that includes the number of youths who received scholarships
12 and the amount of each scholarship, and the total amount of funds
13 spent or encumbered in the current fiscal year.

14 Sec. 523. (1) By February 15 of the current fiscal year, the
15 department shall submit to the senate and house appropriations
16 subcommittees on the department budget, the senate and house fiscal
17 agencies, the senate and house policy offices, and the state budget
18 office a report on the families first, family reunification, and
19 families together building solutions family preservation programs.
20 The report shall provide population and outcome data based on
21 contractually required follow-up evaluations for families who
22 received family preservation services and shall include information
23 for each program on any innovations that may increase child safety
24 and risk reduction.

25 (2) From the funds appropriated in part 1 for youth in
26 transition and domestic violence prevention and treatment, the
27 department is authorized to make allocations of TANF funds only to



1 agencies that report necessary data to the department for the
2 purpose of meeting TANF eligibility reporting requirements.

3 Sec. 524. As a condition of receiving funds appropriated in
4 part 1 for strong families/safe children, counties must submit the
5 service spending plan to the department by October 1 of the current
6 fiscal year for approval. The department shall approve the service
7 spending plan within 30 calendar days after receipt of a properly
8 completed service spending plan.

9 Sec. 525. The department shall implement the same on-site
10 evaluation processes for privately operated child welfare and
11 juvenile justice residential facilities as is used to evaluate
12 state-operated facilities. Penalties for noncompliance shall be the
13 same for privately operated child welfare and juvenile justice
14 residential facilities and state-operated facilities.

15 Sec. 531. The department shall notify the house and senate
16 appropriations subcommittees on the department budget, the house
17 and senate fiscal agencies, and the house and senate policy offices
18 of any changes to a child welfare master contract template,
19 including the adoption master contract template, the independent
20 living plus master contract template, the child placing agency
21 foster care master contract template, and the residential foster
22 care juvenile justice master contract template, not less than 30
23 days before the change takes effect.

24 Sec. 533. The department shall make payments to child placing
25 facilities for in-home and out-of-home care services and adoption
26 services within 30 days of receiving all necessary documentation
27 from those agencies. It is the intent of the legislature that the



1 burden of ensuring that these payments are made in a timely manner
2 and no payments are in arrears is upon the department.

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

13 Sec. 546. (1) From the funds appropriated in part 1 for foster
14 care payments and from child care fund, the department shall pay
15 providers of general foster care, independent living, and trial
16 reunification services not less than a \$46.20 administrative rate.

17 (2) From the funds appropriated in part 1, the department
18 shall pay providers of independent living plus services statewide
19 per diem rates for staff-supported housing and host-home housing
20 based on proposals submitted in response to a solicitation for
21 pricing. The independent living plus program provides staff-
22 supported housing and services for foster youth ages 16 through 19
23 who, because of their individual needs and assessments, are not
24 initially appropriate for general independent living foster care.

25 (3) If required by the federal government to meet title IV-E
26 requirements, providers of foster care services shall submit
27 quarterly expenditure reports to the department to identify actual



1 costs of providing foster care services.

2 Sec. 547. (1) From the funds appropriated in part 1 for the
3 guardianship assistance program, the department shall pay a minimum
4 rate that is not less than the approved age-appropriate payment
5 rates for youth placed in family foster care.

6 (2) The department shall report quarterly to the state budget
7 office, the senate and house appropriations subcommittees on the
8 department budget, the senate and house fiscal agencies, and the
9 senate and house policy offices on the number of children enrolled
10 in the guardianship assistance and foster care children with
11 serious emotional disturbance waiver programs.

12 Sec. 550. (1) The department shall not offset against
13 reimbursement payments to counties or seek reimbursement from
14 counties for charges that were received by the department more than
15 12 months before the department seeks to offset against
16 reimbursement. A county shall not request reimbursement for and
17 reimbursement payments shall not be paid for a charge that is more
18 than 12 months after the date of service or original status
19 determination when initially submitted by the county.

20 (2) All service providers shall submit a request for payment
21 within 12 months after the date of service. Any request for payment
22 submitted 12 months or more after the date of service requires the
23 provider to submit an exception request to the county or the
24 department for approval or denial.

25 (3) The county shall not be subject to any offset, chargeback,
26 or reimbursement liability for prior expenditures resulting from an
27 error in foster care fund source determinations.



1 Sec. 551. The department shall respond to counties within 30
2 days regarding any request for a clarification requested through
3 the department's child care fund management unit electronic mail
4 address.

5 Sec. 552. Sixty days after a county's child care fund on-site
6 review is completed, the department shall provide the results of
7 the review to the county.

8 Sec. 558. By January 1 of the current fiscal year, the
9 department shall provide to the senate and house appropriations
10 subcommittees on the department budget, the senate and house fiscal
11 agencies, the senate and house policy offices, and the state budget
12 office a report that identifies the policies, procedures, and other
13 relevant issues related to the modernization of the child welfare
14 training program.

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

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



1 the number of cases in which the program prevented an out-of-home
2 placement.

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

12 Sec. 564. (1) The department shall develop a clear policy for
13 parent-child visitations. The local county offices, caseworkers,
14 and supervisors shall meet an 85% success rate, after accounting
15 for factors outside of the caseworkers' control.

16 (2) Per the court-ordered number of required meetings between
17 caseworkers and a parent, the caseworkers shall achieve a success
18 rate of 85%, after accounting for factors outside of the
19 caseworkers' control.

20 (3) By March 1 of the current fiscal year, the department
21 shall provide to the senate and house appropriations subcommittees
22 on the department budget, the senate and house fiscal agencies, the
23 senate and house policy offices, and the state budget office a
24 report on the following:

25 (a) The percentage of success rate for parent-child
26 visitations and court-ordered required meetings between caseworkers
27 referenced in subsections (1) and (2) for the previous year.



1 (b) The barriers to achieve the success rates in subsections
2 (1) and (2) and how this information is tracked.

3 Sec. 567. The department shall submit to the senate and house
4 appropriations subcommittees on the department budget, the senate
5 and house fiscal agencies, the senate and house policy offices, and
6 the state budget office by March 1 of the current fiscal year a
7 report on transfer of medical passports for children in foster
8 care, including the following:

9 (a) From the total medical passports transferred, the
10 percentage that transferred within 2 weeks from the date of
11 placement or return to the home.

12 (b) From the total school records, the percentage that
13 transferred within 2 weeks from the date of placement or return to
14 the home.

15 (c) The implementation steps that have been taken to improve
16 the outcomes for the measures in subdivision (a).

17 Sec. 569. The department shall reimburse private child placing
18 agencies that complete adoptions at the rate according to the date
19 on which the petition for adoption and required support
20 documentation was accepted by the court and not according to the
21 date the court's order placing for adoption was entered.

22 Sec. 573. The department may pay providers of foster care
23 services a per diem daily administrative rate for every case on a
24 caseworker's caseload for the duration of a case from referral
25 acceptance to the discharge of wardship.

26 Sec. 574. (1) From the funds appropriated in part 1 for foster
27 care payments, \$2,000,000.00 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 case acceptance, or, if a waiver was
5 previously approved, 180 days from the referral 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 the newly licensed cases
10 for which the placement was appropriate to the agency.

11 (2) From the funds appropriated for foster care payments,
12 \$375,000.00 is allocated to support family incentive grants to
13 private and community-based foster care service providers to assist
14 with home improvements or payment for physical exams for applicants
15 needed by foster families to accommodate foster children.

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

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

26 (b) The number and percentage of foster parents successfully
27 retained in the previous fiscal year and how those figures compare



1 to prior fiscal years.

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

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

12 Sec. 589. On a quarterly basis, the department shall report on
13 the number of all foster care cases administered by the department
14 and all foster care cases administered by private providers.

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

18 Sec. 594. From the funds appropriated in part 1 for foster
19 care payments, the department shall support regional resource teams
20 to provide for the recruitment, retention, and training of foster
21 and adoptive parents and shall expand the Michigan youth
22 opportunities initiative to all Michigan counties. The purpose of
23 this funding is to increase the number of annual inquiries from
24 prospective foster parents, increase the number of nonrelative
25 foster homes that achieve licensure each year, increase the annual
26 retention rate of nonrelative foster homes, reduce the number of
27 older foster youth placed outside of family settings, and provide



1 older youth with enhanced support in transitioning to adulthood.

2 Sec. 595. Partial child care fund reimbursements to counties
3 for undisputed charges shall be made within 45 business days after
4 the receipt of the required forms and documentation. The department
5 shall notify a county within 15 business days after a disputed
6 reimbursement request. The department shall reimburse for corrected
7 charges within 45 business days after a properly corrected
8 submission by the county.

9 Sec. 596. From the funds appropriated in part 1 for youth in
10 transition, the department shall allocate \$750,000.00 state general
11 fund/general purpose revenue to increase funding to support the
12 runaway and homeless youth services program. The purpose of the
13 additional funding is to increase funding to contracted providers
14 that provide emergency shelter and services to homeless and runaway
15 youth.

16 **PUBLIC ASSISTANCE**

17 Sec. 601. Whenever a client agrees to the release of his or
18 her name and address to the local housing authority, the department
19 shall request from the local housing authority information
20 regarding whether the housing unit for which vrending has been
21 requested meets applicable local housing codes. Vrending shall be
22 terminated for those units that the local authority indicates in
23 writing do not meet local housing codes until such time as the
24 local authority indicates in writing that local housing codes have
25 been met.

26 Sec. 602. The department shall conduct a full evaluation of an



1 individual's assistance needs if the individual has applied for
2 disability more than 1 time within a 1-year period.

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

9 (a) A recipient of supplemental security income, social
10 security, or medical assistance due to disability or 65 years of
11 age or older.

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

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

20 (d) A person receiving 30-day postresidential substance use
21 disorder treatment.

22 (e) A person diagnosed as having acquired immunodeficiency
23 syndrome.

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

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



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

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

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

7 (3) Except for a person described in subsection (1)(c) or (d),
8 a person is not disabled for purposes of this section if his or her
9 drug addiction or alcoholism is a contributing factor material to
10 the determination of disability. "Material to the determination of
11 disability" means that, if the person stopped using drugs or
12 alcohol, his or her remaining physical or mental limitations would
13 not be disabling. If his or her remaining physical or mental
14 limitations would be disabling, then the drug addiction or
15 alcoholism is not material to the determination of disability and
16 the person may receive state disability assistance. Such a person
17 must actively participate in a substance abuse treatment program,
18 and the assistance must be paid to a third party or through vendor
19 payments. For purposes of this section, substance abuse treatment
20 includes receipt of inpatient or outpatient services or
21 participation in alcoholics anonymous or a similar program.

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

26 Sec. 606. County department offices shall require each
27 recipient of family independence program and state disability



1 assistance who has applied with the social security administration
2 for supplemental security income to sign a contract to repay any
3 assistance rendered through the family independence program or
4 state disability assistance program upon receipt of retroactive
5 supplemental security income benefits.

6 Sec. 607. (1) The department's ability to satisfy
7 appropriation deductions in part 1 for state disability
8 assistance/supplemental security income recoveries and public
9 assistance recoupment revenues shall not be limited to recoveries
10 and accruals pertaining to state disability assistance, or family
11 independence assistance grant payments provided only in the current
12 fiscal year, but may include revenues collected during the current
13 year that are prior year related and not a part of the department's
14 accrued entries.

15 (2) The department may use supplemental security income
16 recoveries to satisfy the deduct in any line in which the revenues
17 are appropriated, regardless of the source from which the revenue
18 is recovered.

19 Sec. 608. Adult foster care facilities providing domiciliary
20 care or personal care to residents receiving supplemental security
21 income or homes for the aged serving residents receiving
22 supplemental security income shall not require those residents to
23 reimburse the home or facility for care at rates in excess of those
24 legislatively authorized. To the extent permitted by federal law,
25 adult foster care facilities and homes for the aged serving
26 residents receiving supplemental security income shall not be
27 prohibited from accepting third-party payments in addition to



1 supplemental security income if the payments are not for food,
2 clothing, shelter, or result in a reduction in the recipient's
3 supplemental security income payment.

4 Sec. 609. The state supplementation level under the
5 supplemental security income program for the personal care/adult
6 foster care and home for the aged categories shall not be reduced
7 during the current fiscal year. The legislature shall be notified
8 not less than 30 days before any proposed reduction in the state
9 supplementation level.

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

14 (2) For purposes of determining housing affordability
15 eligibility for state emergency relief, a group is considered to
16 have sufficient income to meet ongoing housing expenses if their
17 total housing obligation does not exceed 75% of their total net
18 income.

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

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

25 (5) State emergency relief payments for rent assistance shall
26 be distributed directly to landlords and shall not be added to
27 Michigan bridge cards.



1 Sec. 611. The state supplementation level under the
2 supplemental security income program for the living independently
3 or living in the household of another categories shall not exceed
4 the minimum state supplementation level as required under federal
5 law or regulations.

6 Sec. 613. (1) The department shall provide reimbursements for
7 the final disposition of indigent persons. The reimbursements shall
8 include the following:

9 (a) The maximum allowable reimbursement for the final
10 disposition is \$800.00.

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

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

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

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

19 Sec. 614. The department shall report to the senate and house
20 of representatives appropriations subcommittees on the department
21 budget, the senate and house fiscal agencies, and the senate and
22 house policy offices by January 15 of the current fiscal year on
23 the number and percentage of state disability assistance recipients
24 who were determined to be eligible for federal supplemental
25 security income benefits in the previous fiscal year.

26 Sec. 615. Except as required by federal law or regulations,
27 funds appropriated in part 1 shall not be used to provide public



1 assistance to a person who is an illegal alien. This section shall
2 not prohibit the department from entering into contracts with food
3 banks, emergency shelter providers, or other human services
4 agencies who may, as a normal part of doing business, provide food
5 or emergency shelter.

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

10 Sec. 618. By March 1 of the current fiscal year, the
11 department shall report to the senate and house appropriations
12 subcommittees on the department budget, the senate and house fiscal
13 agencies, the senate and house policy offices, and the state budget
14 office the quarterly numbers of supervised individuals who have
15 absconded from supervision and whom a law enforcement agency or the
16 department is actively seeking according to section 84 of the
17 corrections code of 1953, 1953 PA 232, MCL 791.284.

18 Sec. 619. (1) Subject to subsection (2), the department shall
19 not deny title IV-A assistance and food assistance benefits under
20 21 USC 862a to any individual who has been convicted of a single
21 felony that included the possession, use, or distribution of a
22 controlled substance, for which the act that resulted in the
23 conviction occurred after August 22, 1996, if the individual is not
24 in violation of his or her probation or parole requirements.
25 Benefits shall be provided to those individuals, if the individual
26 is the grantee (head of household), as follows:

27 (a) Family independence program benefits must be paid in the



1 form of restricted payments when the grantee has been convicted,
2 for conduct occurring after August 22, 1996, of a felony for the
3 use, possession, or distribution of controlled substances. A
4 protective payee shall be used, if possible. If a protective payee
5 cannot be found, vendor payments for shelter shall be used to the
6 extent possible.

7 (b) An authorized representative shall be required for food
8 assistance receipt. If the individual with the conviction was not
9 the grantee, the food assistance shall go to the grantee.

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

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

21 (2) The department shall report on a quarterly basis 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, the senate and house fiscal agencies, the senate
25 and house policy offices, and the state budget office on the
26 average Medicaid eligibility standard of promptness for each of the
27 required standards of promptness under subsection (1) and for



1 medical review team reviews achieved statewide and at each local
2 office.

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

9 Sec. 650. An individual who is an able-bodied adult without
10 dependents must be subject to the time-limited food assistance and
11 work requirement provisions of 7 CFR 273.24(a) to (d) regardless of
12 the individual's county of residence, redetermination date, or
13 federal waiver status effective October 1, 2018.

14 Sec. 653. From the funds appropriated in part 1 for food
15 assistance, an individual who is the victim of domestic violence
16 and does not qualify for any other exemption may be exempt from the
17 3-month in 36-month limit on receiving food assistance under 7 USC
18 2015. This exemption can be extended an additional 3 months upon
19 demonstration of continuing need.

20 Sec. 654. The department shall notify recipients of food
21 assistance program benefits that their benefits can be spent with
22 their bridge cards at many farmers' markets in the state. The
23 department shall also notify recipients about the Double Up Food
24 Bucks program that is administered by the Fair Food Network.
25 Recipients shall receive information about the Double Up Food Bucks
26 program, including information that when the recipient spends
27 \$20.00 at participating farmers' markets through the program, the



1 recipient can receive an additional \$20.00 to buy Michigan produce.

2 Sec. 655. Within 14 days after the spending plan for low-
3 income home energy assistance program is approved by the state
4 budget office, the department shall provide the spending plan,
5 including itemized projected expenditures, to the chairpersons of
6 the senate and house appropriations subcommittees on the department
7 budget, the senate and house fiscal agencies, the senate and house
8 policy offices, and the state budget office.

9 Sec. 660. From the funds appropriated in part 1 for Food Bank
10 Council of Michigan, the department is authorized to make
11 allocations of TANF funds only to the agencies that report
12 necessary data to the department for the purpose of meeting TANF
13 eligibility reporting requirements. The agencies that do not report
14 necessary data to the department for the purpose of meeting TANF
15 eligibility reporting requirements will not receive allocations in
16 excess of those received in fiscal year 2000. The use of TANF funds
17 under this section is not an ongoing commitment of funding.

18 Sec. 669. The department shall allocate \$6,270,000.00 for the
19 annual clothing allowance. The allowance shall be granted to all
20 eligible children in a family independence program group.

21 Sec. 672. (1) The department's office of inspector general
22 shall report to the senate and house of representatives
23 appropriations subcommittees on the department budget, the senate
24 and house fiscal agencies, and the senate and house policy offices
25 by February 15 of the current fiscal year on department efforts to
26 reduce inappropriate use of Michigan bridge cards. The department
27 shall provide information on the number of recipients of services



1 who used their electronic benefit transfer card inappropriately and
2 the current status of each case, the number of recipients whose
3 benefits were revoked, whether permanently or temporarily, as a
4 result of inappropriate use, and the number of retailers that were
5 fined or removed from the electronic benefit transfer program for
6 permitting inappropriate use of the cards. The report shall
7 distinguish between savings and cost avoidance. Savings include
8 receivables established from instances of fraud committed. Cost
9 avoidance includes expenditures avoided due to front-end
10 eligibility investigations and other preemptive actions undertaken
11 in the prevention of fraud.

12 (2) It shall be the policy of the department that the
13 department shall require an explanation from a recipient if a
14 bridge card is replaced more than 2 times over any 3-month period.

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

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

24 (2) On a quarterly basis, the department shall report to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house fiscal agencies and policy offices,
27 and the state budget director on the number of cases referred to



1 Partnership. Accountability. Training. Hope. (PATH), the current
2 percentage of family independence program cases involved in PATH
3 employment activities, an estimate of the current percentage of
4 family independence program cases that meet federal work
5 participation requirements on the whole, and an estimate of the
6 current percentage of the family independence program cases that
7 meet federal work participation requirements for those cases
8 referred to PATH.

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

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

16 (b) The average and range of wages of employed family
17 independence program recipients.

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

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

26 (2) The department shall require caseworkers to confirm the
27 address provided by any individual seeking family independence



1 program benefits or state disability assistance benefits.

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

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

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

15 (a) The number of applications received.

16 (b) The number of applications approved.

17 (c) The number of applications denied.

18 (d) The number of applications pending and neither approved
19 nor denied.

20 (e) The number of cases opened.

21 (f) The number of cases closed.

22 (g) The number of cases at the beginning of the quarter and
23 the number of cases at the end of the quarter.

24 (2) The information provided under subsection (1) shall be
25 compiled and made available for the state as a whole and for each
26 county and reported separately for each program listed in
27 subsection (1).



1 (3) For cases that are closed in the family independence
2 program and the food assistance program for which the recipient
3 achieved employment, the department shall compile and make
4 available on its website the type of job category of the
5 employment. This information shall be reported on a semi-annual
6 basis by May 1 and November 1 for the state as a whole.

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

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

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

15 (c) The number of cases sanctioned because of the school
16 truancy policy.

17 (d) The number of cases closed because of the 48-month and 60-
18 month lifetime limits and whether the recipient gained employment.

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

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

22 Sec. 688. From the funds appropriated in part 1 for the low-
23 income home energy assistance program, an additional \$20.01 payment
24 shall be made to food assistance program cases that are not
25 currently eligible for the standard utility allowance to enable
26 these cases to receive expanded food assistance benefits through
27 the program commonly known as the heat and eat program.



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

2 Sec. 701. Unless required from changes to federal or state law
3 or at the request of a provider, the department shall not alter the
4 terms of any signed contract with a private residential facility
5 serving children under state or court supervision without written
6 consent from a representative of the private residential facility.

7 Sec. 706. Counties shall be subject to 50% chargeback for the
8 use of alternative regional detention services, if those detention
9 services do not fall under the basic provision of section 117e of
10 the social welfare act, 1939 PA 280, MCL 400.117e, or if a county
11 operates those detention services programs primarily with
12 professional rather than volunteer staff.

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

19 Sec. 708. (1) As a condition of receiving funds appropriated
20 in part 1 for the child care fund line item, by October 15 of the
21 current fiscal year, counties shall have an approved service
22 spending plan for the current fiscal year. Counties must submit the
23 service spending plan for the following fiscal year to the
24 department by August 15 of the current fiscal year for approval.
25 Upon submission of the county service spending plan, the department
26 shall approve within 30 calendar days after receipt of a properly
27 completed service plan that complies with the requirements of the



1 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The
2 department shall notify and submit county service spending plan
3 revisions to any county whose county service spending plan is not
4 accepted upon initial submission. The department shall notify a
5 county within 30 days after approval that its service plan was
6 approved.

7 (2) Counties must submit amendments to current fiscal year
8 county service plans no later than August 30. Counties must submit
9 current fiscal year payable estimates to the department no later
10 than September 15.

11 (3) The department shall submit a report to the house and
12 senate appropriations subcommittees on the department budget, the
13 house and senate fiscal agencies, the house and senate policy
14 offices, and the state budget office by February 15 of the current
15 fiscal year on the number of counties that fail to submit a service
16 spending plan by August 15 and the number of service spending plans
17 not approved by October 15. The report shall include the number of
18 county service spending plans that were not approved as first
19 submitted by the counties, as well as the number of plans that were
20 not approved by the department after being resubmitted by the
21 county with the first revisions that were requested by the
22 department.

23 Sec. 709. The department's master contract for juvenile
24 justice residential foster care services shall prohibit contractors
25 from denying a referral for placement of a youth, or terminating a
26 youth's placement, if the youth's assessed treatment needs are in
27 alignment with the facility's residential program type, as



1 identified by the court or the department. In addition, the master
2 contract shall require that youth placed in juvenile justice
3 residential foster care facilities must have regularly scheduled
4 treatment sessions with a licensed psychologist or psychiatrist, or
5 both, and access to the licensed psychologist or psychiatrist as
6 needed.

7 **FIELD OPERATIONS AND SUPPORT SERVICES**

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



1 employment, community living, nursing home transition, information
2 and referral services, education, youth transition services,
3 veterans, and stigma reduction activities and community education.
4 This includes the independent living guide project that
5 specifically focuses on economic self-sufficiency.

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

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

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

23 (a) Reductions and changes in administration costs and
24 staffing.

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

26 (c) Reorganization plans and implementation steps achieved.

27 (d) Plans to integrate Michigan rehabilitative services



1 programs into other services provided by the department.

2 (e) Quarterly expenditures by major spending category.

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

5 (g) Success rate of each district in achieving the program
6 goals.

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

14 (2) By March 1 of the current fiscal year, the department
15 shall report to the senate and house appropriations subcommittees
16 on the department budget, the senate and house fiscal agencies, the
17 senate and house policy offices, and the state budget office on the
18 total number of clients served and the total amount of federal
19 matching funds obtained throughout the duration of the program.

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. 808. By March 1 of the current fiscal year, the
11 department shall provide a report 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 on the nutrition education program. The
15 report shall include planned allocation and actual expenditures for
16 the supplemental nutrition assistance program education funding,
17 planned and actual grant amounts for the supplemental nutrition
18 assistance program education funding, the total amount of expected
19 carryforward balance at the end of the current fiscal year for the
20 supplemental nutrition assistance program education funding, a list
21 of all supplemental nutrition assistance program education funding
22 programs by implementing agency, and the stated purpose of each
23 program.

24 Sec. 809. The purpose of the pathways to potential program is
25 to reduce chronic absenteeism by 10%, decrease the number of
26 students who repeat grades, decrease the rate of dropouts, and
27 increase graduation for schools that are current participants in



1 the pathways to potential program. The funding priority for the
2 pathways to potential program shall be based on schools requiring
3 assistance in meeting these performance outcomes.

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

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

19 (2) From the funds appropriated in part 1 for donated funds
20 positions, the department shall enter into contracts with agencies
21 that are able and eligible under federal law to provide the
22 required matching funds for federal funding, as determined by
23 federal statute and regulations.

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

27 (a) Meeting a standard of promptness for processing



1 applications for Medicaid and other public assistance programs
2 under state law.

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

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

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

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

20 Sec. 851. A staffing enhancement for adult services field
21 staff was included in 2017 PA 107. The goal of the investment is to
22 reduce the number of older adults who are victims of crime and
23 fraud by increasing the standard of promptness in every county, as
24 measured by commencing an investigation within 24 hours,
25 establishing face-to-face contact with the client within 72 hours,
26 and completing the investigation within 30 days.



1 **BEHAVIORAL HEALTH SERVICES**

2 Sec. 901. Except for the pilot projects and demonstration
3 models described in section 298 of this part, the funds
4 appropriated in part 1 are intended to support a system of
5 comprehensive community mental health services under the full
6 authority and responsibility of local CMHSPs or PIHPs in accordance
7 with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106,
8 the Medicaid provider manual, federal Medicaid waivers, and all
9 other applicable federal and state laws.

10 Sec. 902. (1) Except for the pilot projects and demonstration
11 models described in section 298 of this part, from the funds
12 appropriated in part 1, final authorizations to CMHSPs or PIHPs
13 shall be made upon the execution of contracts between the
14 department and CMHSPs or PIHPs. The contracts shall contain an
15 approved plan and budget as well as policies and procedures
16 governing the obligations and responsibilities of both parties to
17 the contracts. Each contract with a CMHSP or PIHP that the
18 department is authorized to enter into under this subsection shall
19 include a provision that the contract is not valid unless the total
20 dollar obligation for all of the contracts between the department
21 and the CMHSPs or PIHPs entered into under this subsection for the
22 current fiscal year does not exceed the amount of money
23 appropriated in part 1 for the contracts authorized under this
24 subsection.

25 (2) The department shall immediately report to the senate and
26 house appropriations subcommittees on the department budget, the
27 senate and house fiscal agencies, and the state budget director if



1 either of the following occurs:

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

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

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

9 Sec. 904. (1) By May 31 of the current fiscal year, the
10 department shall provide a report on the CMHSPs, PIHPs, and
11 designated regional entities for substance use disorder prevention
12 and treatment to the members of the house and senate appropriations
13 subcommittees on the department budget, the house and senate fiscal
14 agencies, and the state budget director that includes the
15 information required by this section.

16 (2) The report shall contain information for each CMHSP, PIHP,
17 and designated regional entity for substance use disorder
18 prevention and treatment, and a statewide summary, each of which
19 shall include at least the following information:

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

23 (b) Per capita expenditures in total and by client population
24 group and cultural and ethnic groups of the services area,
25 including the deaf and hard of hearing population.

26 (c) Financial information that, minimally, includes a
27 description of funding authorized; expenditures by diagnosis group,



1 service category, and reimbursement eligibility; and cost
2 information by Medicaid, Healthy Michigan plan, state appropriated
3 non-Medicaid mental health services, local funding, and other fund
4 sources, including administration and funds specified for all
5 outside contracts for services and products. Financial information
6 must include the amount of funding, from each fund source, used to
7 cover clinical services and supports. Service category includes all
8 department-approved services.

9 (d) Data describing service outcomes that include, but are not
10 limited to, an evaluation of consumer satisfaction, consumer
11 choice, and quality of life concerns including, but not limited to,
12 housing and employment.

13 (e) Information about access to CMHSPs and designated regional
14 entities for substance use disorder prevention and treatment that
15 includes, but is not limited to, the following:

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

17 (ii) The number of people who requested services but did not
18 receive services.

19 (f) The number of second opinions requested under the mental
20 health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the
21 determination of any appeals.

22 (g) Lapses and carryforwards during the previous fiscal year
23 for CMHSPs, PIHPs, and designated regional entities for substance
24 use disorder prevention and treatment.

25 (h) Performance indicator information required to be submitted
26 to the department in the contracts with CMHSPs, PIHPs, and
27 designated regional entities for substance use disorder prevention



1 and treatment.

2 (i) Administrative expenditures of each CMHSP, PIHP, and
3 designated regional entity for substance use disorder prevention
4 and treatment that include a breakout of the salary, benefits, and
5 pension of each executive-level staff and shall include the
6 director, chief executive, and chief operating officers and other
7 members identified as executive staff.

8 (3) The report shall contain the following information from
9 the previous fiscal year on substance use disorder prevention,
10 education, and treatment programs:

11 (a) Expenditures stratified by department-designated community
12 mental health entity, by central diagnosis and referral agency, by
13 fund source, by subcontractor, by population served, and by service
14 type.

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

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

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

25 (4) The department shall include data reporting requirements
26 listed in subsections (2) and (3) in the annual contract with each
27 individual CMHSP, PIHP, and designated regional entity for



1 substance use disorder treatment and prevention.

2 (5) The department shall take all reasonable actions to ensure
3 that the data required are complete and consistent among all
4 CMHSPs, PIHPs, and designated regional entities for substance use
5 disorder prevention and treatment.

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

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

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

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

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

27 (2) The department shall reimburse all licensed substance use



1 disorder programs eligible to participate in the program at a rate
2 equivalent to that paid by the department to adult foster care
3 providers. Programs accredited by department-approved accrediting
4 organizations shall be reimbursed at the personal care rate, while
5 all other eligible programs shall be reimbursed at the domiciliary
6 care rate.

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

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

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

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

27 Sec. 910. The department shall ensure that substance use



1 disorder treatment is provided to applicants and recipients of
2 public assistance through the department who are required to obtain
3 substance use disorder treatment as a condition of eligibility for
4 public assistance.

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

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

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

27 Sec. 915. (1) By March 1 of the current fiscal year, the



1 department shall report the following information on the mental
2 health and wellness commission to the house and senate
3 appropriations subcommittees on the department budget, the house
4 and senate fiscal agencies, the house and senate policy offices,
5 and the state budget office:

6 (a) Previous fiscal year expenditures by actionable
7 recommendation of the mental health and wellness commission.

8 (b) Programs utilized during the previous fiscal year to
9 address each actionable recommendation of the mental health and
10 wellness commission.

11 (c) Outcomes and performance measures achieved during the
12 previous fiscal year by actionable recommendation of the mental
13 health and wellness commission.

14 (d) Current fiscal year funding by actionable recommendation
15 of the mental health and wellness commission.

16 (e) Current fiscal year funding by program utilized to address
17 each actionable recommendation of the mental health and wellness
18 commission.

19 (2) By April 1 of the current fiscal year, the department
20 shall report on funding within the executive budget proposal for
21 the fiscal year ending September 30, 2020, by actionable
22 recommendation of the mental health and wellness commission to the
23 same report recipients listed in subsection (1).

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



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

7 Sec. 920. (1) As part of the Medicaid rate-setting process for
8 behavioral health services, the department shall work with PIHP
9 network providers and actuaries to include any state and federal
10 wage and compensation increases that directly impact staff who
11 provide Medicaid-funded community living supports, personal care
12 services, respite services, skill-building services, and other
13 similar supports and services as part of the Medicaid rate.

14 (2) It is the intent of the legislature that any increased
15 Medicaid rate related to state minimum wage increases shall also be
16 distributed to direct care employees.

17 Sec. 924. From the funds appropriated in part 1 for autism
18 services, autism services reimbursement rates shall not exceed 75%
19 of the rates paid by the TRICARE health care program of the United
20 States Department of Defense Military Health System for autism
21 services provided in this state.

22 Sec. 925. From the funds appropriated in part 1 for community
23 mental health non-Medicaid services, each CMHSP is allocated not
24 less than the amount allocated to that CMHSP during the previous
25 fiscal year.

26 Sec. 926. From the funds appropriated in part 1 for community
27 substance use disorder prevention, education, and treatment,



1 \$500,000.00 is allocated for a specialized substance use disorder
2 detoxification pilot project created at a hospital in a city with a
3 population between 95,000 and 97,000 within a county with a
4 population of at least 1,500,000. The hospital must have a wing
5 with at least 10 beds dedicated to stabilizing patients suffering
6 from addiction by providing a specialized trauma therapist as well
7 as a peer support specialist to assist with treatment and
8 counseling. The hospital shall collect data on the outcomes of the
9 pilot project throughout the duration of the pilot project and
10 shall provide a report on the pilot project's outcomes to the house
11 and senate appropriations subcommittees on the department budget,
12 the house and senate fiscal agencies, and the state budget office.

13 Sec. 928. (1) Each PIHP shall provide, from internal
14 resources, local funds to be used as a part of the state match
15 required under the Medicaid program in order to increase capitation
16 rates for PIHPs. These funds shall not include either state funds
17 received by a CMHSP for services provided to non-Medicaid
18 recipients or the state matching portion of the Medicaid capitation
19 payments made to a PIHP.

20 (2) It is the intent of the legislature that any funds that
21 lapse from the funds appropriated in part 1 for Medicaid mental
22 health services shall be redistributed to individual CMHSPs as a
23 reimbursement of local funds on a proportional basis to those
24 CMHSPs whose local funds were used as state Medicaid match. By
25 April 1 of the current fiscal year, the department shall report to
26 the senate and house appropriations subcommittees on the department
27 budget, the senate and house fiscal agencies, the senate and house



1 policy offices, and the state budget office on the lapse by PIHP
2 from the previous fiscal year and the projected lapse by PIHP in
3 the current fiscal year.

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

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

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

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

25 (2) A CMHSP that has its funding allocation transferred out or
26 withdrawn during the current fiscal year as described in subsection
27 (1) is not eligible for any additional funding reallocations during



1 the remainder of the current fiscal year, unless that CMHSP is
2 responding to a public health emergency as determined by the
3 department.

4 (3) CMHSPs shall report to the department on any proposed
5 reallocations described in this section at least 30 days before any
6 reallocations take effect.

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

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

21 Sec. 950. From the funds appropriated in part 1 for court-
22 appointed guardian and conservator reimbursements, the department
23 shall allocate \$2,490,000.00 to reimburse counties for 50% of the
24 cost incurred by the county to reimburse court-appointed public
25 guardians and conservators for recipients who also receive CMHSP
26 services. The department shall only reimburse counties for 50% of
27 costs for reimbursements up to \$83.00 per month per court-appointed



1 public guardian and conservator.

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

5 Sec. 997. The population data used in determining the
6 distribution of substance use disorder block grant funds shall be
7 from the most recent federal census.

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

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

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

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

26 Sec. 1008. PIHPs and CMHSPs shall do all of the following:

27 (a) Work to reduce administration costs by ensuring that PIHP



1 responsible functions are efficient in allowing optimal transition
2 of dollars to those direct services considered most effective in
3 assisting individuals served. Any consolidation of administrative
4 functions must be demonstrated by independent analysis, a reduction
5 in dollars spent on administration resulting in greater dollars
6 spent on direct services. Savings resulting from increased
7 efficiencies shall not be applied to PIHP net assets, internal
8 service fund increases, building costs, increases in the number of
9 PIHP personnel, or other areas not directly related to the delivery
10 of improved services.

11 (b) Take an active role in managing mental health care by
12 ensuring consistent and high-quality service delivery throughout
13 its network and promote a conflict-free care management
14 environment.

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

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

20 Sec. 1009. (1) Each PIHP shall report to the department by
21 February 1 of the current fiscal year the range of wages paid to
22 direct care workers, including information on the number of direct
23 care workers at each wage level.

24 (2) The department shall report the information required to be
25 reported according to subsection (1) to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, the senate and house policy offices, and



1 the state budget office by March 1 of the current fiscal year.

2 Sec. 1010. From the funds appropriated in part 1 for
3 behavioral health program administration, up to \$2,000,000.00 shall
4 be allocated to address the implementation of court-ordered
5 assisted outpatient treatment as provided under chapter 4 of the
6 mental health code, 1974 PA 258, MCL 330.1400 to 330.1490.

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

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

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

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



1 those facilities.

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

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

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

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

27 Sec. 1058. Effective October 1 of the current fiscal year, the



1 department, in consultation with the department of technology,
2 management, and budget, may maintain a bid process to identify 1 or
3 more private contractors to provide food service and custodial
4 services for the administrative areas at any state hospital
5 identified by the department as capable of generating savings
6 through the outsourcing of such services.

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

10 (a) The average wait time for persons determined incompetent
11 to stand trial before admission to the center for forensic
12 psychiatry.

13 (b) The average wait time for persons determined incompetent
14 to stand trial before admission to other state-operated psychiatric
15 facilities.

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

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

20 Sec. 1060. (1) The department shall continue to convene a
21 workgroup that meets at least quarterly in collaboration with the
22 chairs of the house and senate appropriations subcommittees on the
23 department budget or their designees, labor union representation,
24 civil service, and any other appropriate parties to recommend
25 solutions to address mandatory overtime, staff turnover, and staff
26 retention at the state psychiatric hospitals and centers,
27 including, but not limited to, permitting retired workers to return



1 and permitting hiring of part-time workers.

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

6 Sec. 1061. The funds appropriated in part 1 for Caro Regional
7 Mental Health Center shall only be utilized to support a
8 psychiatric hospital located at its current location. It is the
9 intent of the legislature that the Caro Regional Mental Health
10 Center shall remain open and operational at its current location on
11 an ongoing basis, and that any capital outlay funding shall be
12 utilized for planning and construction at the current location
13 instead of at a new location.

14 **HEALTH POLICY**

15 Sec. 1140. From the funds appropriated in part 1 for primary
16 care services, \$250,000.00 shall be allocated to free health
17 clinics operating in the state. The department shall distribute the
18 funds equally to each free health clinic. For the purpose of this
19 appropriation, "free health clinics" means nonprofit organizations
20 that use volunteer health professionals to provide care to
21 uninsured individuals.

22 Sec. 1142. The department shall continue to seek means to
23 increase retention of Michigan medical school students for
24 completion of their primary care residency requirements within this
25 state and ultimately, for some period of time, to remain in this
26 state and serve as primary care physicians. The department is



1 encouraged to work with Michigan institutions of higher education.

2 Sec. 1144. (1) From the funds appropriated in part 1 for
3 health policy administration, the department shall allocate the
4 federal state innovation model grant funding that supports
5 implementation of the health delivery system innovations detailed
6 in this state's "Reinventing Michigan's Health Care System:
7 Blueprint for Health Innovation" document. This initiative will
8 test new payment methodologies, support improved population health
9 outcomes, and support improved infrastructure for technology and
10 data sharing and reporting. The funds will be used to provide
11 financial support directly to regions participating in the model
12 test and to support statewide stakeholder guidance and technical
13 support.

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

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

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

22 (3) By March 1 and September 1 of the current fiscal year, the
23 department shall submit a written report to the house and senate
24 appropriations subcommittees on the department budget, the house
25 and senate fiscal agencies, and the state budget office on the
26 status of the program and progress made since the prior report.

27 (4) From the funds appropriated in part 1 for health policy



1 administration, any data aggregator created as part of the
2 allocation of the federal state innovation model grant funds must
3 meet the following standards:

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

7 (b) The data aggregator must be governed by a nonprofit
8 entity.

9 (c) All decisions regarding the establishment, administration,
10 and modification of the database must be made by an advisory board.
11 The membership of the advisory board must include the director of
12 the department or a designee of the director and representatives of
13 health carriers, consumers, and purchasers.

14 (d) The Michigan Data Collaborative shall be the data
15 aggregator to receive health care claims information from, without
16 limitation, commercial health carriers, nonprofit health care
17 corporations, health maintenance organizations, and third party
18 administrators that process claims under a service contract.

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

21 Sec. 1145. The department will take steps necessary to work
22 with Indian Health Service, tribal health program facilities, or
23 Urban Indian Health Program facilities that provide services under
24 a contract with a Medicaid managed care entity to ensure that those
25 facilities receive the maximum amount allowable under federal law
26 for Medicaid services.

27 Sec. 1147. (1) From the funds appropriated in part 1 for



1 primary care services, \$1,000,000.00 shall be appropriated for the
2 second year of a 6-year early primary care incentive program to
3 facilitate the placement of physicians in medically underserved
4 areas of this state. The early primary care incentive program
5 format includes all of the following:

6 (a) Recruitment of interested physicians before completion of
7 first year of residency.

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

10 (i) Complete at least 1 year of postgraduate education.

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

13 (iii) Obtain an unrestricted license to engage in the practice
14 of osteopathic medicine and surgery or an unrestricted license to
15 engage in the practice of medicine in this state.

16 (c) A participating physician shall enter into a contract to
17 work with an employer for no less than 2 years in a federally
18 underserved rural or urban area in this state, beginning the year
19 following completion of at least 1 year of postgraduate education.

20 (d) The employer shall employ the physician at a competitive
21 salary. A contractual employer may include, but is not limited to,
22 a private practice physician or physician group, a hospital or
23 hospital system, a community clinic, or a federally qualified
24 health center.

25 (e) Assistance with repayment of medical education loans of
26 the participating physician shall be provided through local, state,
27 federal, or other sources during the employment period, with a



1 target assistance amount of \$50,000.00 over 2 years.

2 (f) Upon completion of the 2-year employment period,
3 participating physicians may reenter and complete a postgraduate
4 residency program.

5 (2) The department shall seek philanthropic support for the
6 early primary care incentive program to achieve increased
7 participation and may use state funds to match philanthropic
8 contributions.

9 (3) The department shall contract with the Michigan Health
10 Council for the purpose of administering the early primary care
11 incentive program. Funds shall be disbursed by the department to
12 the Michigan Health Council by December 1 of the current fiscal
13 year for this purpose.

14 (4) Use of funds for administration of the early primary care
15 incentive program is limited to no more than \$150,000.00.

16 (5) The department shall prepare a report on the status of the
17 early primary care incentive program that shall include, but is not
18 limited to, the number of physicians placed, location of placement,
19 type of employer, average student loan burden of the participating
20 physicians, and average loan relief provided under the program. By
21 April 1 of the current fiscal year, the department shall provide
22 the report described in this subsection to the house and senate
23 appropriations subcommittees on the department budget, the house
24 and senate fiscal agencies and policy offices, and the state budget
25 office.

26 (6) Unexpended and unencumbered funds up to a maximum of
27 \$1,000,000.00 general fund/general purpose revenue in part 1 for



1 primary care services are designated as work project
2 appropriations, and any unencumbered or unallotted funds shall not
3 lapse at the end of the fiscal year and shall be available for
4 expenditures for the early primary care incentive program under
5 this section until the project has been completed. All of the
6 following are in compliance with section 451a of the management and
7 budget act, 1984 PA 431, MCL 18.1451a:

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

10 (b) The work project will be accomplished by administering the
11 partnering of participating physicians with qualifying employers
12 and coordinating the negotiation of medical school loan repayment
13 assistance for the participating physician.

14 (c) The total estimated cost of the work project is
15 \$1,000,000.00 of general fund/general purpose revenue.

16 (d) The tentative completion date of the work project is
17 September 30, 2023.

18 Sec. 1150. The department shall coordinate with the department
19 of licensing and regulatory affairs, the department of the attorney
20 general, all appropriate law enforcement agencies, and the Medicaid
21 health plans to reduce fraud related to opioid prescribing within
22 Medicaid, and to address other appropriate recommendations of the
23 prescription drug and opioid abuse task force outlined in its
24 report of October 2015. By October 1 of the current fiscal year,
25 the department shall submit a report to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, the senate and house policy offices, and



1 the state budget office on steps the department has taken to
2 coordinate with the entities listed in this section and other
3 stakeholders to reduce fraud related to opioid prescribing, and to
4 address other appropriate recommendations of the task force.

5 Sec. 1151. The department shall coordinate with the department
6 of licensing and regulatory affairs, the department of the attorney
7 general, all appropriate law enforcement agencies, and the Medicaid
8 health plans to work with local substance use disorder agencies and
9 addiction treatment providers to help inform Medicaid beneficiaries
10 of all medically appropriate treatment options for opioid addiction
11 when their treating physician stops prescribing prescription opioid
12 medication for pain, and to address other appropriate
13 recommendations of the prescription drug and opioid abuse task
14 force outlined in its report of October 2015. By October 1 of the
15 current fiscal year, the department shall submit a report to the
16 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 on how the department
19 is working with local substance use disorder agencies and addiction
20 treatment providers to ensure that Medicaid beneficiaries are
21 informed of all available and medically appropriate treatment
22 options for opioid addiction when their treating physician stops
23 prescribing prescription opioid medication for pain, and to address
24 other appropriate recommendations of the task force. The report
25 shall include any potential barriers to medication-assisted
26 treatment, as recommended by the Michigan medication-assisted
27 treatment guidelines, for Medicaid beneficiaries in both office-



1 based opioid treatment and opioid treatment program facility
2 settings.

3 **LABORATORY SERVICES**

4 Sec. 1170. From the funds appropriated in part 1 for
5 laboratory services, the department shall allocate \$1,000,000.00
6 for enhanced laboratory testing of opioids in cases of drug
7 overdose deaths in order to accurately identify all prescription
8 and nonprescription substances that may have impacted a drug
9 poisoning death. The following provisions apply:

10 (a) The funds shall be used to support state laboratory and
11 county medical examiner costs for collection of biological
12 specimens for all cases of suspected or confirmed overdose death,
13 toxicology screening of specimens for opioids including fentanyl
14 analogues, shipment of specimens as needed, and information systems
15 for reporting of results to the department when a toxicology
16 screening is positive for opioids including fentanyl analogues.

17 (b) The department shall establish standards to specify type
18 of toxicology screening and proper utilization measures that are
19 consistent with standards set by the Centers for Disease Control
20 and Prevention, the College of American Pathologists, and other
21 accrediting organizations.

22 **DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY**

23 Sec. 1180. From the funds appropriated in part 1 for
24 epidemiology administration and for childhood lead program, the
25 department shall maintain a public health drinking water unit and



1 maintain enhanced efforts to monitor child blood lead levels. The
2 public health drinking water unit shall ensure that appropriate
3 investigations of potential health hazards occur for all community
4 and noncommunity drinking water supplies where chemical exceedances
5 of action levels, health advisory levels, or maximum contaminant
6 limits are identified. The goals of the childhood lead program
7 shall include improving the identification of affected children,
8 the timeliness of case follow-up, and attainment of nurse case
9 management for children with lead exposure, and to achieve a long-
10 term reduction in the percentage of children in this state with
11 elevated blood lead levels.

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

21 Sec. 1182. (1) From the funds appropriated in part 1 for the
22 healthy homes program, no less than \$1,750,000.00 of general
23 fund/general purpose funds and \$23,480,000.00 of federal funds
24 shall be allocated for lead abatement of homes.

25 (2) By January 1 of the current fiscal year, the department
26 shall provide a report to the house and senate appropriations
27 subcommittees on the department budget, the house and senate fiscal



1 agencies, and the state budget office on the expenditures and
2 activities undertaken by the lead abatement program in the previous
3 fiscal year from the funds appropriated in part 1 for the healthy
4 homes program. The report shall include, but is not limited to, a
5 funding allocation schedule, expenditures by category of
6 expenditure and by subcontractor, revenues received, description of
7 program elements, and description of program accomplishments and
8 progress.

9 **LOCAL HEALTH AND ADMINISTRATIVE SERVICES**

10 Sec. 1220. The amount appropriated in part 1 for
11 implementation of the 1993 additions of or amendments to sections
12 9161, 16221, 16226, 17014, 17015, and 17515 of the public health
13 code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014,
14 333.17015, and 333.17515, shall be used to reimburse local health
15 departments for costs incurred related to implementation of section
16 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

17 Sec. 1221. If a county that has participated in a district
18 health department or an associated arrangement with other local
19 health departments takes action to cease to participate in such an
20 arrangement after October 1 of the current fiscal year, the
21 department shall have the authority to assess a penalty from the
22 local health department's operational accounts in an amount equal
23 to no more than 6.25% of the local health department's essential
24 local public health services funding. This penalty shall only be
25 assessed to the local county that requests the dissolution of the
26 health department.



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

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

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

18 (4) By December 1 of the current fiscal year, the department
19 shall provide a report to the house and senate appropriations
20 subcommittees on the department budget, the house and senate fiscal
21 agencies, and the state budget director on the planned allocation
22 of the funds appropriated for essential local public health
23 services.

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



1 (2) By December 1 of the current fiscal year, the department
2 shall report to the senate and house appropriations subcommittees
3 on the department budget, the senate and house standing committees
4 on health policy, the senate and house fiscal agencies, and the
5 state budget office the number of individual patients treated,
6 number of procedures performed, and approximate total market value
7 of those procedures from the previous fiscal year.

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

12 Sec. 1225. The department shall work with the Michigan health
13 endowment fund corporation established under section 653 of the
14 nonprofit health care corporation reform act, 1980 PA 350, MCL
15 550.1653, to explore ways to fund and evaluate current and future
16 policies and programs. It is the intent of the legislature that, by
17 March 1 of the current fiscal year, the senate and house
18 appropriations subcommittees on the department budget shall hold a
19 joint hearing for the purpose of a presentation by the Michigan
20 health endowment fund corporation and the department, detailing the
21 steps taken to work together, and to report on initiatives
22 supported by the Michigan health endowment fund.

23 Sec. 1226. From the funds appropriated in part 1 for health
24 and wellness initiatives, \$1,000,000.00 shall be allocated for a
25 school children's healthy exercise program to promote and advance
26 physical health for school children in kindergarten through grade
27 8. The department shall recommend model programs for sites to



1 implement that incorporate evidence-based best practices. The
2 department shall grant no less than 1/2 of the funds appropriated
3 in part 1 for before- and after-school programs. The department
4 shall establish guidelines for program sites, which may include
5 schools, community-based organizations, private facilities,
6 recreation centers, or other similar sites. The program format
7 shall encourage local determination of site activities and shall
8 encourage local inclusion of youth in the decision-making regarding
9 site activities. Program goals shall include children experiencing
10 improved physical health and access to physical activity
11 opportunities, the reduction of obesity, providing a safe place to
12 play and exercise, and nutrition education. To be eligible to
13 participate, program sites shall provide a 20% match to the state
14 funding, which may be provided in full, or in part, by a
15 corporation, foundation, or private partner. The department shall
16 seek financial support from corporate, foundation, or other private
17 partners for the program or for individual program sites.

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

27 Sec. 1230. By October 1 of the current fiscal year, the



1 department shall provide a report to the house and senate
2 appropriations subcommittees on the department budget, the house
3 and senate fiscal agencies, and the state budget office on
4 estimated costs and timeline to implement a school-based pilot
5 program for children up to grade 7 that may include, but is not
6 limited to, oral health assessments, primary dental services, and
7 referrals. The school-based pilot program shall track the number of
8 children offered and receiving services at the school sites.
9 Program goals shall include improving oral and physical health
10 outcomes for children, improving rates of children receiving dental
11 sealants, and reduction of rates of childhood tooth decay.

12 Sec. 1231. From the funds appropriated for local health
13 services, up to \$4,750,000.00 shall be allocated for grants to
14 local public health departments to support PFAS response and
15 emerging public health threat activities. A portion of the funding
16 shall be allocated by the department in a collaborative fashion
17 with local public health departments in jurisdictions experiencing
18 PFAS contamination. The remainder of the funding shall be allocated
19 to address infectious and vector-borne disease threats, and other
20 environmental contamination issues such as vapor intrusion,
21 drinking water contamination, and lead exposure. The funding shall
22 be allocated to address issues including, but not limited to,
23 staffing, planning and response, and creation and dissemination of
24 materials related to PFAS contamination issues and other emerging
25 public health issues and threats.

26 Sec. 1232. It is the intent of the legislature that the United
27 States Department of Defense shall reimburse the state for costs



1 associated with PFAS and environmental contamination response at
2 military training sites and support facilities.

3 Sec. 1233. General fund and state restricted fund
4 appropriations in part 1 shall not be expended for PFAS and
5 environmental contamination response where federal funding or
6 private grant funding is available for the same expenditures.

7 **FAMILY, MATERNAL, AND CHILD HEALTH**

8 Sec. 1301. (1) Before April 1 of the current fiscal year, the
9 department shall submit a report to the house and senate fiscal
10 agencies and the state budget director on planned allocations from
11 the amounts appropriated in part 1 for local MCH services, prenatal
12 care outreach and service delivery support, family planning local
13 agreements, and pregnancy prevention programs. Using applicable
14 federal definitions, the report shall include information on all of
15 the following:

16 (a) Funding allocations.

17 (b) Actual number of women, children, and adolescents served
18 and amounts expended for each group for the immediately preceding
19 fiscal year.

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

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

25 (3) For the purposes of this section, "rural" means a county,
26 city, village, or township with a population of 30,000 or less,



1 including those entities if located within a metropolitan
2 statistical area.

3 Sec. 1302. Each family planning program receiving federal
4 title X family planning funds under 42 USC 300 to 300a-8 shall be
5 in compliance with all performance and quality assurance indicators
6 that the office of population affairs within the United States
7 Department of Health and Human Services specifies in the program
8 guidelines for project grants for family planning services. An
9 agency not in compliance with the indicators shall not receive
10 supplemental or reallocated funds.

11 Sec. 1303. The department shall not contract with an
12 organization that provides elective abortions, abortion counseling,
13 or abortion referrals, for services that are to be funded with
14 state restricted or state general fund/general purpose funds
15 appropriated in part 1 for family planning local agreements. An
16 organization under contract with the department shall not
17 subcontract with an organization that provides elective abortions,
18 abortion counseling, or abortion referrals, for services that are
19 to be funded with state restricted or state general fund/general
20 purpose funds appropriated in part 1 for family planning local
21 agreements.

22 Sec. 1304. The department shall not use state restricted funds
23 or state general funds appropriated in part 1 in the pregnancy
24 prevention program or family planning local agreements
25 appropriation line items for abortion counseling, referrals, or
26 services.

27 Sec. 1307. From the funds appropriated in part 1 for prenatal



1 care outreach and service delivery support, \$650,000.00 of TANF
2 revenue shall be allocated for a pregnancy and parenting support
3 services program, which program must promote childbirth,
4 alternatives to abortion, and grief counseling. The department
5 shall establish a program with a qualified contractor that will
6 contract with qualified service providers to provide free
7 counseling, support, and referral services to eligible women during
8 pregnancy through 12 months after birth. As appropriate, the goals
9 for client outcomes shall include an increase in client support, an
10 increase in childbirth choice, an increase in adoption knowledge,
11 an improvement in parenting skills, and improved reproductive
12 health through abstinence education. The contractor of the program
13 shall provide for program training, client educational material,
14 program marketing, and annual service provider site monitoring. The
15 department shall submit a report to the house and senate
16 appropriations subcommittees on the department budget and the house
17 and senate fiscal agencies by April 1 of the current fiscal year on
18 the number of clients served.

19 Sec. 1308. From the funds appropriated in part 1 for prenatal
20 care outreach and service delivery support, not less than
21 \$500,000.00 of funding shall be allocated for evidence-based
22 programs to reduce infant mortality including nurse family
23 partnership programs. The funds shall be used for enhanced support
24 and education to nursing teams or other teams of qualified health
25 professionals, client recruitment in areas designated as
26 underserved for obstetrical and gynecological services and other
27 high-need communities, strategic planning to expand and sustain



1 programs, and marketing and communications of programs to raise
2 awareness, engage stakeholders, and recruit nurses.

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

6 Sec. 1310. The department shall continue to work jointly with
7 the Michigan state housing development authority and the joint task
8 force established under article IV of 2014 PA 252 to review housing
9 rehabilitation, energy and weatherization, and hazard abatement
10 program policies and to make recommendations for integrating and
11 coordinating project delivery with the goals of serving more
12 families and achieving better outcomes by maximizing state and
13 federal resources. The joint task force may provide recommendations
14 to the department. Recommendations of the joint task force must
15 give consideration to best practices and cost effectiveness.

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

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

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

27 Sec. 1314. The department shall seek to enhance education and



1 outreach efforts that encourage women of childbearing age to seek
2 confirmation at the earliest indication of possible pregnancy and
3 initiate continuous and routine prenatal care upon confirmation of
4 pregnancy. The department shall seek to ensure that department
5 programs, policies, and practices promote prenatal and obstetrical
6 care by doing the following:

7 (a) Supporting access to care.

8 (b) Reducing and eliminating barriers to care.

9 (c) Supporting recommendations for best practices.

10 (d) Encouraging optimal prenatal habits such as prenatal
11 medical visits, use of prenatal vitamins, and cessation of use of
12 tobacco, alcohol, or drugs.

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

16 (f) Tracking of maternal increase in healthy behaviors
17 following childbirth.

18 Sec. 1340. The department shall include national brand peanut
19 butter on the list of approved women, infants, and children special
20 supplemental nutrition program basket items.

21 Sec. 1341. The department and county offices shall utilize
22 income eligibility and verification guidelines established by the
23 Food and Nutrition Service agency of the United States Department
24 of Agriculture in determining eligibility of individuals for the
25 special supplemental nutrition program for women, infants, and
26 children (WIC) as stated in WIC policy memorandum 2013-3.



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

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

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

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

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

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

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

17 **AGING AND ADULT SERVICES AGENCY**

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

22 Sec. 1403. (1) By February 1 of the current fiscal year, the
23 aging and adult services agency shall require each region to report
24 to the aging and adult services agency and to the legislature home-
25 delivered meals waiting lists based upon standard criteria.

26 Determining criteria shall include all of the following:



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

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

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

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

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

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

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

18 (b) Detail expenditure by each area agency on aging by
19 individual program and administration including both state-funded
20 resources and locally funded resources.

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

24 Sec. 1422. (1) From the funds appropriated in part 1 for aging
25 and adult services administration, not less than \$300,000.00 shall
26 be allocated for the department to contract with the Prosecuting
27 Attorneys Association of Michigan to provide the support and



1 services necessary to increase the capability of the state's
2 prosecutors, adult protective service system, and criminal justice
3 system to effectively identify, investigate, and prosecute elder
4 abuse and financial exploitation.

5 (2) By March 1 of the current fiscal year, the Prosecuting
6 Attorneys Association of Michigan shall provide a report on the
7 efficacy of the contract to the state budget office, 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.

11 Sec. 1425. The department shall coordinate with the department
12 of licensing and regulatory affairs to ensure that, upon receipt of
13 the order of suspension of a licensed adult foster care home, home
14 for the aged, or nursing home, the department of licensing and
15 regulatory affairs shall provide notice to the department, to the
16 house and senate appropriations subcommittees on the department
17 budget, and to the members of the house and senate that represent
18 the legislative districts of the county in which the facility lies.

19 **MEDICAL SERVICES ADMINISTRATION**

20 Sec. 1501. The unexpended funds appropriated in part 1 for the
21 electronic health records incentive program are designated as a
22 work project appropriation, and any unencumbered or unallotted
23 funds shall not lapse at the end of the fiscal year and shall be
24 available for expenditures for projects under this section until
25 the projects have been completed. The following is in compliance
26 with section 451a of the management and budget act, 1984 PA 431,



1 MCL 18.1451a:

2 (a) The purpose of the project is to implement the Medicaid
3 electronic health record program that provides financial incentive
4 payments to Medicaid health care providers to encourage the
5 adoption and meaningful use of electronic health records to improve
6 quality, increase efficiency, and promote safety.

7 (b) The projects will be accomplished by utilizing state
8 employees or contracts with service providers, or both, and
9 according to the approved federal advanced planning document.

10 (c) The total estimated cost of the project is \$96,087,400.00.

11 (d) The tentative completion date is September 30, 2023.

12 Sec. 1503. From the funds appropriated in part 1 for Healthy
13 Michigan plan administration, the department shall maintain an
14 accounting structure within the statewide integrated governmental
15 management applications that will allow expenditures associated
16 with the administration of the Healthy Michigan plan to be
17 identified.

18 Sec. 1505. By March 1 and September 1 of the current fiscal
19 year, the department shall submit 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 including
22 both of the following:

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

27 (b) The actual increase in reimbursement savings and cost



1 offsets that have resulted from the funds appropriated in part 1
2 for the office of inspector general and third party liability
3 efforts.

4 Sec. 1506. The department shall submit to the senate and house
5 appropriations subcommittees on the department budget, the senate
6 and house fiscal agencies, the senate and house policy offices, and
7 the state budget office a quarterly report on the implementation
8 status of the public assistance call center that includes all of
9 the following information:

10 (a) Call volume during the prior quarter.

11 (b) Percentage of calls resolved through the public assistance
12 call center.

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

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

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

27 (a) Successful consolidation of data warehouses maintained by



1 the department.

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

4 (c) A reduction in wait times for persons enrolled in
5 assistance programs to speak with department staff and get
6 necessary changes made.

7 (d) A reduction in department caseworker workload.

8 Sec. 1509. (1) The department shall contract for an
9 independent feasibility study and actuarial model of public,
10 private, and public-private hybrid options to help individuals
11 prepare for, access, and afford long-term services and supports.
12 The department shall match 100% of any private funds, up to
13 \$200,000.00, with state general fund/general purpose revenues. The
14 study must include models for all of the following:

15 (a) An affordable annual long-term care benefit available to
16 all individuals who meet the minimum eligibility of needing
17 assistance with 2 activities of daily living, with the maximum
18 benefit amount to be determined by actuarial analysis.

19 (b) A public-private reinsurance or risk-sharing model, with
20 the purpose of providing a stable and ongoing source of
21 reimbursement to insurers for a portion of their catastrophic long-
22 term care services and supports losses in order to provide
23 additional insurance capacity for the state. The entity would
24 operate as a public-private partnership supporting the private
25 sector's role as the primary risk bearer.

26 (c) A long-term care benefit paid for and open to those that
27 are not currently eligible for the state Medicaid program.



1 (2) The awarded contractor shall provide a report to the
2 department on the independent feasibility study and actuarial model
3 that includes all of the following:

4 (a) An analysis of public and private long-term care programs
5 that exist in the state, the participation rates for those
6 programs, and any clear gaps that exist, including, but not limited
7 to, gaps in coverage, affordability, and participation.

8 (b) The expected costs and benefits for participants in a new
9 long-term care benefit program, when accounting for a living wage
10 rate for home care workers and compliance with the fair labor
11 standards act of 1938, 29 USC 201 to 219, the federal regulations
12 in 29 CFR 552 relating to that act, and state labor laws.

13 (c) The total anticipated number of participants.

14 (d) The impact on the current workforce.

15 (e) A recruitment and retention plan to meet anticipated
16 shortage in the workforce due to the increasing aging population.

17 (f) The impact of current services, access to a paid
18 workforce, and affordability of care on family caregivers,
19 including how many family members are providing care to the
20 individual, the impact that providing care has on a family
21 caregiver's job, family caregivers' access to training programs,
22 how many hours of care a family caregiver is providing, the types
23 of services a family caregiver is performing, if the primary
24 caregiver is also caring for a child, and if there are children
25 present in the home who also assist with caring for the aging adult
26 in the home.

27 (g) The projected savings to the state Medicaid program, if



1 any.

2 (h) Legal and financial risks to the state.

3 (3) The department shall provide oversight and direction for
4 the analysis described in subsection (2) and shall convene meetings
5 for interested stakeholders, including consumer and worker
6 representatives, to provide ongoing input on the feasibility study
7 design. The department shall hold not fewer than 3 meetings for
8 stakeholders to comply with the provisions of this subsection, as
9 follows: a meeting before the study begins, a meeting during the
10 study's implementation, and a meeting after the study is completed.

11 (4) The feasibility study and the actuarial analysis that is
12 included in the feasibility study must be completed and submitted
13 to the department no later than 270 days after the start date of
14 the feasibility study. The department shall hold a public hearing
15 presenting its findings. The department shall submit a report,
16 including the director's findings and recommendations based on the
17 feasibility study and actuarial analysis, to the legislature no
18 later than 60 days after the completion of the feasibility study.

19 **MEDICAL SERVICES**

20 Sec. 1601. The cost of remedial services incurred by residents
21 of licensed adult foster care homes and licensed homes for the aged
22 shall be used in determining financial eligibility for the
23 medically needy. Remedial services include basic self-care and
24 rehabilitation training for a resident.

25 Sec. 1603. (1) The department may establish a program for
26 individuals to purchase medical coverage at a rate determined by



1 the department.

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

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

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

11 Sec. 1606. For the purpose of guardian and conservator
12 charges, the department may deduct up to \$83.00 per month as an
13 allowable expense against a recipient's income when determining
14 medical services eligibility and patient pay amounts.

15 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
16 condition is pregnancy, shall immediately be presumed to be
17 eligible for Medicaid coverage unless the preponderance of evidence
18 in her application indicates otherwise. The applicant who is
19 qualified as described in this subsection shall be allowed to
20 select or remain with the Medicaid participating obstetrician of
21 her choice.

22 (2) All qualifying applicants shall be entitled to receive all
23 medically necessary obstetrical and prenatal care without
24 preauthorization from a health plan. All claims submitted for
25 payment for obstetrical and prenatal care shall be paid at the
26 Medicaid fee-for-service rate in the event a contract does not
27 exist between the Medicaid participating obstetrical or prenatal



1 care provider and the managed care plan. The applicant shall
2 receive a listing of Medicaid physicians and managed care plans in
3 the immediate vicinity of the applicant's residence.

4 (3) In the event that an applicant, presumed to be eligible
5 pursuant to subsection (1), is subsequently found to be ineligible,
6 a Medicaid physician or managed care plan that has been providing
7 pregnancy services to an applicant under this section is entitled
8 to reimbursement for those services until such time as they are
9 notified by the department that the applicant was found to be
10 ineligible for Medicaid.

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

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

19 (6) The department shall mandate enrollment of women, whose
20 qualifying condition is pregnancy, into Medicaid managed care
21 plans.

22 (7) The department shall encourage physicians to provide
23 women, whose qualifying condition for Medicaid is pregnancy, with a
24 referral to a Medicaid participating dentist at the first
25 pregnancy-related appointment.

26 Sec. 1611. (1) For care provided to medical services
27 recipients with other third-party sources of payment, medical



1 services reimbursement shall not exceed, in combination with such
2 other resources, including Medicare, those amounts established for
3 medical services-only patients. The medical services payment rate
4 shall be accepted as payment in full. Other than an approved
5 medical services co-payment, no portion of a provider's charge
6 shall be billed to the recipient or any person acting on behalf of
7 the recipient. Nothing in this section shall be considered to
8 affect the level of payment from a third-party source other than
9 the medical services program. The department shall require a
10 nonenrolled provider to accept medical services payments as payment
11 in full.

12 (2) Notwithstanding subsection (1), medical services
13 reimbursement for hospital services provided to dual
14 Medicare/medical services recipients with Medicare part B coverage
15 only shall equal, when combined with payments for Medicare and
16 other third-party resources, if any, those amounts established for
17 medical services-only patients, including capital payments.

18 Sec. 1620. (1) For fee-for-service Medicaid recipients, the
19 professional dispensing fee for drugs indicated as specialty
20 medications on the Michigan pharmaceutical products list is \$20.02
21 or the pharmacy's usual or customary cash charge, whichever is
22 less.

23 (2) For fee-for-service Medicaid recipients, for drugs not
24 indicated as specialty drugs on the Michigan pharmaceutical
25 products list, the professional dispensing fee for medications is
26 as follows:

27 (a) For medications on the department's preferred drug list,



1 \$10.80 or the pharmacy's usual or customary cash charge, whichever
2 is less.

3 (b) For medications not on the department's preferred drug
4 list, \$10.64 or the pharmacy's usual or customary cash charge,
5 whichever is less.

6 (c) For nonpreferred medications on the department's preferred
7 drug list, \$9.00 or the pharmacy's usual or customary cash charge,
8 whichever is less.

9 (3) For fee-for-service Medicaid recipients, if the prescriber
10 mandates the use of a specific medication by indicating "Dispense
11 as Written" for nonspecialty medications, the professional
12 dispensing fee is \$10.64 or the pharmacy's usual or customary cash
13 charge, whichever is less.

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

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

24 Sec. 1621. The department shall report to the house and senate
25 appropriations subcommittees on the department budget, the house
26 and senate fiscal agencies, and the state budget office on
27 strategies the department is using to minimize the state cost of



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

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

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

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

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

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

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

24 (d) Two dollars for an outpatient hospital visit.

25 (3) Except as otherwise prohibited by federal or state law or
26 regulation, the department shall require Medicaid recipients
27 enrolled in the Healthy Michigan plan with an income of at least



1 100% of the federal poverty level to pay the following co-payments:

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

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

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

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

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

13 Sec. 1646. (1) From the funds appropriated in part 1 for long-
14 term care services, the department shall administer a nursing
15 facility quality measure initiative program. The initiative shall
16 be financed through an increase of the quality assurance assessment
17 for nursing homes and hospital long-term care units, and the funds
18 shall be distributed according to the following criteria:

19 (a) The department shall award more dollars to nursing
20 facilities that have a higher CMS 5-star quality measure domain
21 rating, then adjusted to account for both positive and negative
22 aspects of a patient satisfaction survey.

23 (b) A nursing facility with a CMS 5-star quality measure
24 domain star rating of 1 or 2 must file an action plan with the
25 department describing how it intends to use funds appropriated
26 under this section to increase quality outcomes before funding
27 shall be released.



1 (c) The total incentive dollars must reflect the following
2 Medicaid utilization scale:

3 (i) For nursing facilities with a Medicaid participation rate
4 of above 63%, the facility shall receive 100% of the incentive
5 payment.

6 (ii) For nursing facilities with a Medicaid participation rate
7 between 50% and 63%, the facility shall receive 75% of the
8 incentive payment.

9 (iii) For nursing facilities with a Medicaid participation
10 rate of less than 50%, the facility shall receive 50% of the
11 incentive payment.

12 (iv) For nursing facilities not enrolled in Medicaid, the
13 facility shall not receive an incentive payment.

14 (d) Facilities designated as special focus facilities are not
15 eligible for any payment under this section.

16 (e) Number of licensed beds.

17 (2) It is the intent of the legislature that, beginning in the
18 fiscal year ending September 30, 2019, the department and nursing
19 facility representatives shall evaluate the program's effectiveness
20 on quality, measured by the change in the CMS 5-star quality
21 measure domain rating since the implementation of this section.

22 Sec. 1657. (1) Reimbursement for medical services to screen
23 and stabilize a Medicaid recipient, including stabilization of a
24 psychiatric crisis, in a hospital emergency room shall not be made
25 contingent on obtaining prior authorization from the recipient's
26 HMO. If the recipient is discharged from the emergency room, the
27 hospital shall notify the recipient's HMO within 24 hours of the



1 diagnosis and treatment received.

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

6 (3) Subsections (1) and (2) do not require an alteration to an
7 existing agreement between an HMO and its contracting hospitals and
8 do not require an HMO to reimburse for services that are not
9 considered to be medically necessary.

10 Sec. 1659. The following sections of this part are the only
11 ones that shall apply to the following Medicaid managed care
12 programs, including the comprehensive plan, MIChoice long-term care
13 plan, and the mental health, substance use disorder, and
14 developmentally disabled services program: 904, 911, 918, 920, 924,
15 928, 942, 1008, 1009, 1607, 1657, 1662, 1699, 1700, 1702, 1764,
16 1791, 1806, 1809, 1810, 1820, 1850, 1871, 1875, and 1888.

17 Sec. 1662. (1) The department shall ensure that an external
18 quality review of each contracting HMO is performed that results in
19 an analysis and evaluation of aggregated information on quality,
20 timeliness, and access to health care services that the HMO or its
21 contractors furnish to Medicaid beneficiaries.

22 (2) The department shall require Medicaid HMOs to provide
23 EPSDT utilization data through the encounter data system, and HEDIS
24 well child health measures in accordance with the National
25 Committee for Quality Assurance prescribed methodology.

26 (3) The department shall provide a copy of the analysis of the
27 Medicaid HMO annual audited HEDIS reports and the annual external



1 quality review report to the senate and house of representatives
2 appropriations subcommittees on the department budget, the senate
3 and house fiscal agencies, and the state budget director, within 30
4 days of the department's receipt of the final reports from the
5 contractors.

6 Sec. 1670. (1) The appropriation in part 1 for the MIChild
7 program is to be used to provide comprehensive health care to all
8 children under age 19 who reside in families with income at or
9 below 212% of the federal poverty level, who are uninsured and have
10 not had coverage by other comprehensive health insurance within 6
11 months of making application for MIChild benefits, and who are
12 residents of this state. The department shall develop detailed
13 eligibility criteria through the medical services administration
14 public concurrence process, consistent with the provisions of this
15 part and part 1.

16 (2) The department may provide up to 1 year of continuous
17 eligibility to children eligible for the MIChild program unless the
18 family fails to pay the monthly premium, a child reaches age 19, or
19 the status of the children's family changes and its members no
20 longer meet the eligibility criteria as specified in the state
21 plan.

22 (3) The department may make payments on behalf of children
23 enrolled in the MIChild program as described in the MIChild state
24 plan approved by the United States Department of Health and Human
25 Services, or from other medical services.

26 Sec. 1673. The department may establish premiums for MIChild
27 eligible individuals in families with income at or below 212% of



1 the federal poverty level. The monthly premiums shall be \$10.00 per
2 month.

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

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

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

15 (c) Durable medical equipment and prosthetic and orthotic
16 devices.

17 (d) Dental services as outlined in the approved MICHild state
18 plan.

19 (e) Substance use disorder treatment services that may include
20 inpatient, outpatient, and residential substance use disorder
21 treatment services.

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

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

25 (h) Emergency ambulance services.

26 Sec. 1682. (1) In addition to the appropriations in part 1,
27 the department is authorized to receive and spend penalty money



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

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

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

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

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

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

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

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



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

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

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

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

21 Sec. 1700. By December 1 of the current fiscal year, the
22 department shall report to the senate and house appropriations
23 subcommittees on the department budget, the senate and house fiscal
24 agencies, and the state budget office on the distribution of
25 funding provided, and the net benefit if the special hospital
26 payment is not financed with general fund/general purpose revenue,
27 to each eligible hospital during the previous fiscal year from the



1 following special hospital payments:

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

3 (b) GME.

4 (c) Special rural hospital payments provided under section
5 1866 of this part.

6 (d) Lump-sum payments to rural hospitals for obstetrical care
7 provided under section 1802 of this part.

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

16 Sec. 1704. (1) From the funds appropriated in part 1 for
17 dental services, the department shall allocate \$2,697,300.00 to
18 support the enhancement of the Medicaid adult dental benefit for
19 pregnant women enrolled in a Medicaid program.

20 (2) The department shall report to the senate and house
21 appropriations subcommittees on the department budget, the senate
22 and house fiscal agencies, and the state budget office by October 1
23 of the current fiscal year on the steps taken by the department to
24 implement subsection (1).

25 (3) Outcomes and performance measures for the program change
26 under this section include, but are not limited to, the following:

27 (a) The number of pregnant women enrolled in Medicaid who



1 visited a dentist over the prior year.

2 (b) The number of dentists statewide who participate in
3 providing dental services to pregnant women enrolled in Medicaid.

4 Sec. 1730. The department shall continue to maintain enhanced
5 assessment tools established in collaboration with the department
6 of education that promote literacy development of pregnant women
7 and new mothers in the maternal infant health program. When
8 possible, the department shall include new fathers of the infants
9 in the literacy promotion efforts that are included in the
10 assessment tools and in the subsequent services provided. The
11 assessment tools shall expand the assessment of maternal and
12 parental literacy and provide support and referrals to resources to
13 enable program participants to achieve an increase in literacy that
14 may contribute to improvements in family health, economic, and life
15 outcomes.

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

20 Sec. 1764. The department shall annually certify whether rates
21 paid to Medicaid health plans and specialty PIHPs are actuarially
22 sound in accordance with federal requirements and shall provide a
23 copy of the rate certification and approval of rates paid to
24 Medicaid health plans and specialty PIHPs within 5 business days
25 after certification or approval to the senate and house
26 appropriations subcommittees on the department budget, the senate
27 and house fiscal agencies, and the state budget office. Following



1 the rate certification, the department shall ensure that no new or
2 revised state Medicaid policy bulletin that is promulgated
3 materially impacts the capitation rates that have been certified in
4 a negative manner.

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

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

22 Sec. 1782. Subject to federal approval, from the funds
23 appropriated in part 1 for health plan services, the department
24 shall allocate \$740,000.00 general fund/general purpose plus any
25 available work project funds and federal match through an
26 administered contract with oversight from medical services
27 administration and population health. The funds shall be used to



1 support a statewide media campaign for improving this state's
2 immunization rates.

3 Sec. 1791. From the funds appropriated in part 1 for health
4 plan services and physician services, the department shall provide
5 Medicaid reimbursement rates for neonatal services at 75% of the
6 Medicare rate received for those services in effect on the date the
7 services are provided to eligible Medicaid recipients. The current
8 procedural terminology (CPT) codes that are eligible for this
9 reimbursement rate increase are 99468, 99469, 99471, 99472, 99475,
10 99476, 99477, 99478, 99479, and 99480.

11 Sec. 1800. For the distribution of each of the pools within
12 the \$85,000,000.00 outpatient disproportionate share hospital
13 payment, the department shall maintain a formula for the
14 distribution of each pool based on the quality of care, cost,
15 traditional disproportionate share hospital factors such as
16 Medicaid utilization and uncompensated care, and any other factor
17 that the department determines should be considered.

18 Sec. 1801. (1) From the funds appropriated in part 1 for
19 physician services and health plan services, the department shall
20 continue the increase to Medicaid rates for primary care services
21 provided only by primary care providers. For the purpose of this
22 section, a primary care provider is a physician, or a practitioner
23 working under the personal supervision of a physician, who is
24 either licensed under part 170 or part 175 of the public health
25 code, 1978 PA 368, MCL 333.17001 to 333.17084 and 333.17501 to
26 333.17556, and working as a primary care provider in general
27 practice or board-eligible or certified with a specialty



1 designation of family medicine, general internal medicine, or
2 pediatric medicine, or a provider who provides the department with
3 documentation of equivalency. Providers performing a service and
4 whose primary practice is as a non-primary-care subspecialty is not
5 eligible for the increase. The department shall establish policies
6 that most effectively limit the increase to primary care providers
7 for primary care services only.

8 (2) By March 1 of the current fiscal year, the department
9 shall provide to the senate and house appropriations subcommittees
10 on the department budget, the senate and house fiscal agencies, the
11 senate and house policy offices, and the state budget office a list
12 of medical specialties and licensed providers that were paid
13 enhanced primary care rates in the fiscal year ending September 30,
14 2017.

15 Sec. 1802. From the funds appropriated in part 1 for hospital
16 services and therapy, \$11,978,300.00 in general fund/general
17 purpose revenue shall be provided as lump-sum payments to hospitals
18 that qualified for rural hospital access payments in fiscal year
19 2013-2014 and that provide obstetrical care in the current fiscal
20 year. Payment amounts shall be based on the volume of obstetrical
21 care cases and newborn care cases for all such cases billed by each
22 qualified hospital in the most recent fiscal year for which data
23 are available. Payments shall be made by January 1 of the current
24 fiscal year.

25 Sec. 1804. The department, in cooperation with the department
26 of military and veterans affairs, shall work with the federal
27 public assistance reporting information system to identify Medicaid



1 recipients who are veterans and who may be eligible for federal
2 veterans health care benefits or other benefits.

3 Sec. 1805. Hospitals receiving medical services payments for
4 graduate medical education shall submit fully completed quality
5 data to a nonprofit organization with extensive experience in
6 collecting and reporting hospital quality data on a public website.
7 The reporting must utilize consensus-based nationally endorsed
8 standards that meet National Quality Forum-endorsed safe practices.
9 The organization collecting the data must be an organization that
10 uses severity-adjusted risk models and measures that will help
11 patients and payers identify hospital campuses likely to have
12 superior outcomes. The public website shall provide information to
13 allow consumers to compare safe practices by hospital campus,
14 including, but not limited to, perinatal care, hospital-acquired
15 infection, and serious reportable events. Hospitals receiving
16 medical services payments for graduate medical education shall also
17 make their fully completed quality data available on the hospital's
18 website. The department shall withhold 25% of a hospital's graduate
19 medical education payment if the hospital does not submit the data
20 to a qualifying nonprofit organization described in this section by
21 January 1 of the current fiscal year.

22 Sec. 1806. (1) The department shall contractually require the
23 Medicaid health plans to monitor the progress of implementing the
24 Medicaid health plan common formulary. As part of the monitoring
25 process, by February 1 of the current fiscal year, the Medicaid
26 health plans shall provide a report to the department on the
27 following:



1 (a) The progress of implementing the Medicaid health plan
2 common formulary.

3 (b) The participation by the Medicaid health plans in the
4 Medicaid health plan common formulary.

5 (c) The timeliness of prior authorization approvals or
6 disapprovals.

7 (2) By March 1 of the current fiscal year, the department
8 shall provide the Medicaid health plan report provided in
9 subsection (1) and identify any areas of inconsistency across the
10 Medicaid health plans' implementation and utilization of the
11 Medicaid health plan common formulary to the house and senate
12 appropriations subcommittees on the department budget, the house
13 and senate fiscal agencies, and the state budget office.

14 (3) The department shall maintain policies and procedures to
15 govern the operations of the Michigan Medicaid health plan common
16 formulary so that the department is able to receive fair and full
17 public participation.

18 Sec. 1809. The department shall establish separate contract
19 performance standards for Medicaid health plans that adhere to the
20 requirements of section 105d of the social welfare act, 1939 PA
21 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation
22 withhold. The determination of the performance of the 0.75%
23 capitation withhold is at the discretion of the department but must
24 include recognized concepts such as 1-year continuous enrollment
25 and the HEDIS audited data. The determination of the performance of
26 the 0.25% capitation withhold is at the discretion of the
27 department but must include the utilization of high-value services



1 and discouraging the utilization of low-value services.

2 Sec. 1810. The department shall enhance encounter data
3 reporting processes and develop rules that would make each health
4 plan's encounter data as complete as possible, provide a fair
5 measure of acuity for each health plan's enrolled population for
6 risk adjustment purposes, capitation rate setting, diagnosis-
7 related group rate setting, and research and analysis of program
8 efficiencies while minimizing health plan administrative expense.
9 The department shall notify each contracting Medicaid health plan
10 of any encounter data that have not been accepted for the purposes
11 of rate setting.

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

20 Sec. 1820. (1) In order to avoid duplication of efforts, the
21 department shall utilize applicable national accreditation review
22 criteria to determine compliance with corresponding state
23 requirements for Medicaid health plans that have been reviewed and
24 accredited by a national accrediting entity for health care
25 services.

26 (2) The department shall continue to comply with state and
27 federal law and shall not initiate an action that negatively



1 impacts beneficiary safety.

2 (3) As used in this section, "national accrediting entity"
3 means the National Committee for Quality Assurance, the URAC,
4 formerly known as the Utilization Review Accreditation Commission,
5 or other appropriate entity, as approved by the department.

6 Sec. 1837. The department shall continue, and expand where
7 appropriate, utilization of telemedicine and telepsychiatry as
8 strategies to increase access to services for Medicaid recipients
9 in medically underserved areas.

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

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

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

18 Sec. 1850. The department may allow Medicaid health plans to
19 assist with the redetermination process through outreach activities
20 to ensure continuation of Medicaid eligibility and enrollment in
21 managed care. This may include mailings, telephone contact, or
22 face-to-face contact with beneficiaries enrolled in the individual
23 Medicaid health plan. Health plans may offer assistance in
24 completing paperwork for beneficiaries enrolled in their plan.

25 Sec. 1851. From the funds appropriated in part 1 for adult
26 home help services, the department shall allocate up to \$150,000.00
27 state general fund/general purpose revenue plus any associated



1 federal match to develop and deploy a mobile electronic visit
2 verification solution that shall include biometric identity
3 verification to create administrative efficiencies, reduce error,
4 and minimize fraud. The development of the solution shall be
5 predicated on input from the results of the 2017 stakeholder
6 survey.

7 Sec. 1855. From the funds appropriated in part 1 for program
8 of all-inclusive care for the elderly (PACE), to the extent that
9 funding is available in the PACE line item and unused program slots
10 are available, the department may do the following:

11 (a) Increase the number of slots for an already-established
12 local PACE program if the local PACE program has provided
13 appropriate documentation to the department indicating its ability
14 to expand capacity to provide services to additional PACE clients.

15 (b) Suspend the 10 member per month individual PACE program
16 enrollment increase cap in order to allow unused and unobligated
17 slots to be allocated to address unmet demand for PACE services.

18 Sec. 1856. (1) From the funds appropriated in part 1 for
19 hospice services, \$3,318,000.00 shall be expended to provide room
20 and board for Medicaid recipients who meet hospice eligibility
21 requirements and receive services at Medicaid-enrolled hospices
22 with residences in this state. The department shall distribute
23 funds through grants based on the total beds located in all
24 eligible residences that have been providing these services as of
25 October 1, 2017. Any eligible grant applicant may inform the
26 department of their request to reduce the grant amount allocated
27 for their residence and the funds shall be distributed



1 proportionally to increase the total grant amount of the remaining
2 grant-eligible residences. Grant amounts shall be paid out monthly
3 with 1/12 of the total grant amount distributed each month to the
4 grantees.

5 (2) By September 15 of the current fiscal year, each Medicaid-
6 enrolled hospice with a residence that receives funds under this
7 section shall provide a report to the department on the utilization
8 of the grant funding provided in subsection (1). The report shall
9 be provided in a format prescribed by the department and shall
10 include the following:

11 (a) The number of patients served.

12 (b) The number of days served.

13 (c) The daily room and board rates for the patients served.

14 (d) If there is not sufficient funding to cover the total room
15 and board need, the number of patients who did not receive care due
16 to insufficient grant funding.

17 (3) If there is funding remaining at the end of the current
18 fiscal year, the Medicaid-enrolled hospice with a residence shall
19 return the funding to the state.

20 Sec. 1857. By July 1 of the current fiscal year, the
21 department shall explore the implementation of a managed care long-
22 term support service.

23 Sec. 1858. By April 1 of the current fiscal year, the
24 department shall report to the senate and house appropriations
25 subcommittees on the department budget and the senate and house
26 fiscal agencies on all of the following elements related to the
27 current Medicaid pharmacy carve-out of pharmaceutical products as



1 provided for in section 109h of the social welfare act, 1939 PA
2 280, MCL 400.109h:

3 (a) The number of prescriptions paid by the department during
4 the previous fiscal year and for the fiscal year ending September
5 30, 2017.

6 (b) The total amount of expenditures for prescriptions paid by
7 the department during the previous fiscal year and for the fiscal
8 year ending September 30, 2017.

9 (c) The number of and total expenditures for prescriptions
10 paid for by the department for generic equivalents during the
11 previous fiscal year and for the fiscal year ending September 30,
12 2017.

13 Sec. 1859. The department shall partner with the Michigan
14 Association of Health Plans (MAHP) and Medicaid health plans to
15 develop and implement strategies for the use of information
16 technology services for Medicaid research activities. The
17 department shall make available state medical assistance program
18 data, including Medicaid behavioral data, to MAHP and Medicaid
19 health plans or any vendor considered qualified by the department
20 for the purpose of research activities consistent with this state's
21 goals of improving health; increasing the quality, reliability,
22 availability, and continuity of care; and reducing the cost of care
23 for the eligible population of Medicaid recipients.

24 Sec. 1861. From the funds appropriated in part 1 for
25 transportation, the department shall maintain the previous fiscal
26 year increase in the number of counties in which a local public
27 transportation entity is the primary administrator of the Medicaid



1 nonemergency transportation benefit. The department shall use a
2 nonprofit transportation brokerage already operating in the state
3 to carry out the requirements of this section. The purpose of this
4 expansion is to improve Medicaid beneficiary access to care, reduce
5 the number of missed physician appointments by Medicaid
6 beneficiaries, and reduce time spent by caseworkers facilitating
7 nonemergency transportation for Medicaid beneficiaries. Performance
8 goals include an increase in utilization of local public
9 transportation, a reduction in the rate of trips reported as missed
10 to no more than 0.5%, and the successful collection of data on
11 program utilization, access, and beneficiary satisfaction.

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

15 Sec. 1866. (1) From the funds appropriated in part 1 for
16 hospital services and therapy and Healthy Michigan plan,
17 \$12,000,000.00 in general fund/general purpose revenue and any
18 associated federal match shall be awarded as rural access payments
19 to hospitals that meet criteria established by the department for
20 services to low-income rural residents. One of the reimbursement
21 components of the distribution formula shall be assistance with
22 labor and delivery services.

23 (2) No hospital or hospital system shall receive more than
24 10.0% of the total funding referenced in subsection (1).

25 (3) To allow hospitals to understand their rural payment
26 amounts under this section, the department shall provide hospitals
27 with the methodology for distribution under this section and



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

5 Sec. 1867. (1) The department shall continue a workgroup that
6 includes psychiatrists, other relevant prescribers, and pharmacists
7 to identify best practices and to develop a protocol for
8 psychotropic medications. Any changes proposed by the workgroup
9 shall protect a Medicaid beneficiary's current psychotropic
10 pharmaceutical treatment regimen by not requiring a physician
11 currently prescribing any treatment to alter or adjust that
12 treatment.

13 (2) By March 1 of the current fiscal year, the department
14 shall provide the workgroup's recommendations to the senate and
15 house appropriations subcommittees on the department budget, the
16 senate and house fiscal agencies, and the state budget office.

17 Sec. 1870. (1) From the funds appropriated in part 1 for
18 MiDocs, \$5,000,000.00 general fund/general purpose revenues,
19 \$5,000,000.00 in restricted revenues from the MiDocs consortium,
20 and any associated federal match is provided to the MiDocs
21 consortium. The department shall seek the necessary approvals from
22 the United States Department of Health and Human Services to
23 implement this section. The purpose of MiDocs is to significantly
24 increase the state's ability to recruit, train, and retain primary
25 care physicians and other select specialty physicians in
26 underserved communities. MiDocs shall maximize training
27 opportunities with community health centers, rural critical access



1 hospitals, solo or group private practice physician practices, and
2 other community-based clinics, in addition to required rotations at
3 inpatient hospitals. MiDocs shall create new residency slots only
4 in the following specialties: family medicine, general internal
5 medicine, general pediatrics, general OB-GYN, psychiatry, and
6 general surgery. Students in the program must agree to forego any
7 subspecialty fellowship training for at least 2 years
8 postresidency. Any loan repayment, loan interest payment, or
9 scholarships provided to MiDocs trainees shall include a minimum 2-
10 year commitment to practice in an underserved community in this
11 state postresidency. In collaboration with the Michigan Health
12 Council, MiDocs shall reserve at least 3 residency slots per class
13 to be used for the Michigan early primary care incentive program.

14 (2) MiDocs shall submit an annual report to the house and
15 senate appropriations subcommittees on the department budget, the
16 house and senate fiscal agencies, and the state budget office that
17 includes the following:

- 18 (a) Audited financial statement of per resident costs.
19 (b) Education and clinical quality data.
20 (c) Roster of trainees including areas of specialty and
21 locations of training.
22 (d) Medicaid revenue for training sites.

23 (3) The department shall create a MiDocs initiative advisory
24 council to help support implementation and oversight. The advisory
25 council shall include the MiDocs consortium, the Michigan Area
26 Health Education Centers, the Michigan Primary Care Association,
27 the Michigan Center for Rural Health, and the Michigan Academy of



1 Family Physicians, and any other appointees by the department.

2 Sec. 1871. The funds appropriated in part 1 for the Healthy
3 Michigan plan healthy behaviors incentives program shall only
4 provide reductions in cost-sharing responsibilities and shall not
5 include other financial rewards such as gift cards.

6 Sec. 1872. From the funds appropriated in part 1 for personal
7 care services, beginning October 1, 2018, the department shall
8 increase the monthly Medicaid personal care supplement paid to
9 adult foster care facilities and homes for the aged that provide
10 personal care services to Medicaid recipients by \$32.00.

11 Sec. 1873. From the funds appropriated in part 1 for long-term
12 care services, the department may allocate up to \$3,700,000.00 for
13 the purpose of outreach and education to nursing home residents and
14 the coordination of housing in order to move out of the facility.
15 In addition, any funds appropriated shall be used for other quality
16 improvement activities of the program. The department shall
17 consider working with all relevant stakeholders to develop a plan
18 for the ongoing sustainability of the nursing facility transition
19 initiative.

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



1 discussion materials.

2 Sec. 1875. (1) The department and its contractual agents may
3 not subject Medicaid prescriptions to prior authorization
4 procedures during the current fiscal year if that drug is carved
5 out or is not subject to prior authorization procedures as of May
6 9, 2016, and is generally recognized in a standard medical
7 reference or the American Psychiatric Association's Diagnostic and
8 Statistical Manual for the Treatment of a Psychiatric Disorder.

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

16 (3) As used in this section, "prior authorization" means a
17 process implemented by the department or its contractual agents
18 that conditions, delays, or denies delivery or particular pharmacy
19 services to Medicaid beneficiaries upon application of
20 predetermined criteria by the department or its contractual agents
21 to those pharmacy services. The process of prior authorization
22 often requires that a prescriber do 1 or both of the following:

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

25 (b) Verify to the department or its contractual agents that
26 the use of a drug prescribed for an individual meets predetermined
27 criteria from the department or its contractual agents for a



1 prescription drug that is otherwise available under the Medicaid
2 program in this state.

3 Sec. 1878. By March 1 of the current fiscal year, the
4 department shall provide a report to the senate and house
5 appropriations subcommittees on the department budget, the senate
6 and house fiscal agencies, the senate and house policy offices, and
7 the state budget office on hepatitis C tracking data. At a minimum,
8 the report shall include information on the following for
9 individuals treated with Harvoni or any other treatment used to
10 cure hepatitis C during the current fiscal year or a previous
11 fiscal year:

12 (a) The total number of people treated broken down by those
13 treated through traditional Medicaid and those treated through the
14 Healthy Michigan plan.

15 (b) The total cost of treatment.

16 (c) The total cost of treatment broken down by those treated
17 through traditional Medicaid and those treated through the Healthy
18 Michigan plan.

19 (d) The cure rate broken down by Metavir Score, genotype,
20 Medicaid match rate, and drug used during treatment.

21 (e) The reinfection rate broken down by Metavir Score,
22 genotype, Medicaid match rate, and drug used during treatment.

23 Sec. 1888. The department shall establish contract performance
24 standards associated with the capitation withhold provisions for
25 Medicaid health plans at least 3 months in advance of the
26 implementation of those standards. The determination of whether
27 performance standards have been met shall be based primarily on



1 recognized concepts such as 1-year continuous enrollment and the
2 healthcare effectiveness data and information set, HEDIS, audited
3 data.

4 Sec. 1894. (1) By July 1 of the current fiscal year, the
5 department shall provide a report to the senate and house
6 appropriations subcommittees on the department budget, the senate
7 and house fiscal agencies, and the state budget office on outcomes
8 and performance measures of the Healthy Kids Dental program.

9 (2) Outcomes and performance measures for the Healthy Kids
10 Dental program include, but are not limited to, the following:

11 (a) The number of children enrolled in the Healthy Kids Dental
12 program who visited the dentist during the previous fiscal year.

13 (b) The number of dentists who will accept payment from the
14 Healthy Kids Dental program.

15 (c) The annual change in dental utilization of children
16 enrolled in the Healthy Kids Dental program.

17 **INFORMATION TECHNOLOGY**

18 Sec. 1901. (1) By December 1 of the current fiscal year, the
19 department shall report to the senate and house appropriations
20 subcommittees on the department budget, the senate and house fiscal
21 agencies, the senate and house policy offices, and the state budget
22 office all of the following information:

23 (a) The process used to define requests for proposals for each
24 expansion of information technology projects, including timelines,
25 project milestones, and intended outcomes.

26 (b) If the department decides not to contract the services out



1 to design and implement each element of the information technology
2 expansion, the department shall submit its own project plan that
3 includes, at a minimum, the requirements in subdivision (a).

4 (c) A recommended project management plan with milestones and
5 time frames.

6 (d) The proposed benefits from implementing the information
7 technology expansion, including customer service improvement, form
8 reductions, potential time savings, caseload reduction, and return
9 on investment.

10 (e) Details on the implementation of the integrated service
11 delivery project.

12 (2) Once an award for an expansion of information technology
13 is made, the department shall 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 a projected cost of the expansion broken
17 down by use and type of expense.

18 Sec. 1902. From the funds appropriated in part 1 for the
19 Michigan Medicaid information system (MMIS) line item, private
20 revenue may be received from and allocated for other states
21 interested in participating as part of the broader MMIS initiative.
22 By March 1 of the current fiscal year, the department shall provide
23 a report on the use of MMIS by other states for the previous fiscal
24 year, including a list of states, type of use, and revenue and
25 expenditures related to the agreements with the other states to use
26 the MMIS. The report shall be provided to the house and senate
27 appropriations subcommittees on the department budget, the house



1 and senate fiscal agencies, and the state budget office.

2 Sec. 1903. (1) The department shall report to the senate and
3 house appropriations subcommittees on the department budget, the
4 senate and house fiscal agencies, the senate and house policy
5 offices, and the state budget office by November 1 of the current
6 fiscal year on the status of an implementation plan regarding the
7 appropriation in part 1 to modernize the MiSACWIS. The report shall
8 include, but not be limited to, efforts to bring the system in
9 compliance with the settlement and other federal guidelines set
10 forth by the United States Department of Health and Human Services
11 Administration for Children and Families.

12 (2) The department shall report to the senate and house
13 appropriations subcommittees on the department budget, the senate
14 and house fiscal agencies, the senate and house policy offices, and
15 the state budget office by November 1 of the current fiscal year a
16 status report on the planning, implementation, and operation,
17 regardless of the current operational status, regarding the
18 appropriation in part 1 to implement the MiSACWIS. The report shall
19 provide details on the planning, implementation, and operation of
20 the system, including, but not limited to, all of the following:

21 (a) Areas where implementation went as planned.

22 (b) The number of known issues.

23 (c) The average number of help tickets submitted per day.

24 (d) Any additional overtime or other staffing costs to address
25 known issues and volume of help tickets.

26 (e) Any contract revisions to address known issues and volume
27 of help tickets.



1 (f) Other strategies undertaken to improve implementation.

2 (g) Progress developing cross-system trusted data exchange
3 with MiSACWIS.

4 (h) Progress in moving away from a statewide automated child
5 welfare information system (SACWIS) to a comprehensive child
6 welfare information system (CCWIS).

7 (i) Progress developing and implementing a program to monitor
8 data quality.

9 (j) Progress developing and implementing custom integrated
10 systems for private agencies.

11 **ONE-TIME APPROPRIATIONS**

12 Sec. 1905. From the funds appropriated in part 1 for the
13 drinking water declaration of emergency, the department shall
14 allocate funds to address needs in a city in which a declaration of
15 emergency was issued because of drinking water contamination. These
16 funds may support, but are not limited to, the following
17 activities:

18 (a) Nutrition assistance, nutritional and community education,
19 food bank resources, and food inspections.

20 (b) Epidemiological analysis and case management of
21 individuals at risk of elevated blood lead levels.

22 (c) Support for child and adolescent health centers,
23 children's healthcare access program, and pathways to potential
24 programming.

25 (d) Nursing services, breastfeeding education, evidence-based
26 home visiting programs, intensive services, and outreach for



1 children exposed to lead coordinated through local community mental
2 health organizations.

3 (e) Department field operations costs.

4 (f) Lead poisoning surveillance, treatment, and abatement.

5 (g) Nutritional incentives provided to local residents through
6 the Double Up Food Bucks Expansion Program.

7 (h) Genesee County health department food inspectors to
8 perform water testing at local food service establishments.

9 Sec. 1906. (1) From the funds appropriated in part 1 for
10 university autism programs, the department shall continue a grant
11 process for autism programs. These grants are intended to increase
12 the number of applied behavioral analysts, increase the number of
13 autism diagnostic services provided, or increase employment of
14 individuals who are diagnosed with autism spectrum disorder.

15 (2) As a condition of accepting the grants described in
16 subsection (1), each university shall track and report back to the
17 department where the individuals who have completed the applied
18 behavioral analysis training are initially employed and the
19 location of the initial employment.

20 (3) Outcomes and performance measures related to this
21 initiative include, but are not limited to, the following:

22 (a) An increase in applied behavioral analysts certified from
23 university autism programs.

24 (b) The number of autism diagnostic services provided.

25 (c) The employment rate of employment program participants.

26 (d) The employment rate of applied behavioral analysts trained
27 through the university autism programs.



1 Sec. 1907. From the funds appropriated in part 1 for child
2 lead poisoning elimination board, the department shall implement
3 recommendations of the board offered in the board's report of
4 November 2016. The recommendations implemented by the department
5 under this section shall be based in science and best practices,
6 and the department shall give priority to the implementation of the
7 recommendations that are most in agreement with recommendations of
8 nationally recognized organizations and authorities.

9 Sec. 1909. (1) The funds appropriated in part 1 for employment
10 first shall be allocated to support the objectives stated in
11 Executive Order No. 2015-15.

12 (2) The department shall use the funds to provide consultation
13 and technical assistance regarding best practices to increase
14 competitive integrated employment for people with disabilities in
15 the following areas:

16 (a) Statewide capacity building of professionals providing job
17 preparation, placement, and retention supports and services.

18 (b) Provider transformation among community rehabilitation
19 organizations.

20 (c) Rate restructuring of employment supports and services.

21 (d) Blending and braiding of resources.

22 (e) Seamless transition outcomes from education to employment.

23 (f) Employer engagement.

24 (g) Education and outreach to clients and their families,
25 including information on benefits coordination and planning.

26 (h) Other systemic change activities leading to competitive
27 integrated employment.



1 Sec. 1913. (1) The department shall spend available work
2 project revenue and any associated federal match to continue the
3 implementation and operation of the direct primary care pilot
4 program as specified in section 1407 of 2017 PA 158.

5 (2) On a quarterly basis, the department shall report to the
6 senate and house appropriations subcommittees on the department
7 budget, the senate and house fiscal agencies, the senate and house
8 policy offices, and the state budget office on the status and
9 implementation of the direct primary care pilot program for both
10 managed care Medicaid enrollees and fee-for-service Medicaid
11 recipients. The report shall include, but is not limited to, the
12 following performance metrics:

13 (a) The number of enrollees in the direct primary care pilot
14 program by eligibility category.

15 (b) The per-member-per-month rate paid in the previous fiscal
16 year per eligibility category.

17 (c) The number of claims paid in the previous fiscal year per
18 eligibility category.

19 (d) The number of claims per category weighted to reflect 400
20 enrollees.

21 (e) The dollar value of all claims per eligibility category.

22 (f) The per-member-per-month actual cost. As used in this
23 subdivision, "per-member-per-month actual cost" means the direct
24 primary care plan costs and any managed care costs not covered
25 through the direct primary care plan, including managed care
26 provider overhead costs.

27 (g) The average direct primary care cost per enrollee per



1 eligibility category.

2 (h) The average number of actual claims per eligibility
3 category.

4 (i) The average actual dollar value of claims per eligibility
5 category.

6 (j) The number of enrollees in the direct primary care pilot
7 program during the previous quarter who are no longer eligible for
8 Medicaid in the current quarter, broken down by eligibility
9 category.

10 (k) The category savings subtotal. As used in this
11 subdivision, "category savings subtotal" means the per-member-per-
12 month rate paid in fiscal year 2016-2017 minus the per-member-per-
13 month actual cost, times the number of enrollees in the eligibility
14 category.

15 (l) The total savings. As used in this subdivision, "total
16 savings" means the per-member-per-month rate paid in the previous
17 fiscal year minus the per-member-per-month actual cost, times the
18 total number of enrollees in the program.

19 Sec. 1917. (1) From the funds appropriated in part 1 for
20 Michigan medical resident loan repayment program, \$5,000,000.00 is
21 allocated for a 5-year Michigan medical resident loan repayment
22 program to incentivize placement of primary care physicians and
23 other select specialty physicians in rural and urban medically
24 underserved areas of this state following medical residency and
25 provide financial assistance for medical education loan repayment
26 of up to \$50,000.00 to the participating physician before the
27 service period. The Michigan medical resident loan repayment



1 program shall include the following provisions:

2 (a) The program shall incentivize medical residents only in
3 the following specialties: family medicine, general internal
4 medicine, general pediatrics, general OB-GYN, psychiatry, and
5 general surgery.

6 (b) Upon signing an initial agreement to participate in the
7 program, an amount of up to \$50,000.00 shall be provided to the
8 participating physician for the repayment of medical education
9 loans or interest, or both, according to a payment schedule as
10 prescribed and agreed upon by the department and the participant.

11 (c) Beginning the year following completion of a medical
12 residency, a physician participating in the program shall enter
13 into a contract to work with an employer for no less than 2 years
14 in a federally designated rural or urban medically underserved area
15 in this state.

16 (d) A physician participating in the program shall agree to
17 forego any subspecialty fellowship training for at least 2 years
18 postresidency.

19 (2) The department shall contract with the Michigan Health
20 Council for the purpose of administering the Michigan medical
21 resident loan repayment program. Funds shall be disbursed by the
22 department to the Michigan Health Council by December 1 of the
23 current fiscal year for this purpose.

24 (3) The department shall prepare a report on the status of the
25 Michigan medical resident loan repayment program that shall
26 include, but is not limited to, the number of physicians placed,
27 location of placement, type of employer, average medical education



1 loan burden of the participating physicians, and average loan
2 relief provided under the program. By April 1 of the current fiscal
3 year, the department shall provide the report described in this
4 subsection to the house and senate appropriations subcommittees on
5 the department budget, the house and senate fiscal agencies and
6 policy offices, and the state budget office.

7 (4) Unexpended and unencumbered funds up to a maximum of
8 \$5,000,000.00 general fund/general purpose revenue in part 1 for
9 Michigan medical resident loan repayment program are designated as
10 work project appropriations, and any unencumbered or unallotted
11 funds shall not lapse at the end of the fiscal year and shall be
12 available for expenditures for the Michigan medical resident loan
13 repayment program under this section until the project has been
14 completed. All of the following are in compliance with section 451a
15 of the management and budget act, 1984 PA 431, MCL 18.1451a:

16 (a) The purpose of the work project is to fund the cost of a
17 Michigan medical resident loan repayment program as provided by
18 this section.

19 (b) The work project shall be accomplished by administering
20 the placement of participating physicians with qualifying employers
21 and providing medical education loan repayment assistance to
22 participating physicians.

23 (c) The total estimated cost of the work project is
24 \$5,000,000.00 of general fund/general purpose revenue.

25 (d) The tentative completion date of the work project is
26 September 30, 2023.

