Budget Briefing:
Health and Human Services

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Briefing Topics

- Funding Sources
- Appropriation Areas

Department of Health and Human Services

The Michigan Department of Health and Human Services (DHHS) was created in 2015 by the merger of the former Departments of Community Health (DCH) and Human Services (DHS).

- The **Health Services** portion of the DHHS budget provides funding for:
  - Medical services programs, including Medicaid and the Healthy Michigan Plan
  - Behavioral health services, including substance use disorder services
  - Population health programs (public health)
  - Aging and adult services
- The **Human Services** portion of the DHHS budget includes programs and services to assist Michigan's most vulnerable families. This includes:
  - Public assistance programs
  - Protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2026-27 is October 1, 2026 through September 30, 2027.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

Line Item: Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

Boilerplate: Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapses: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

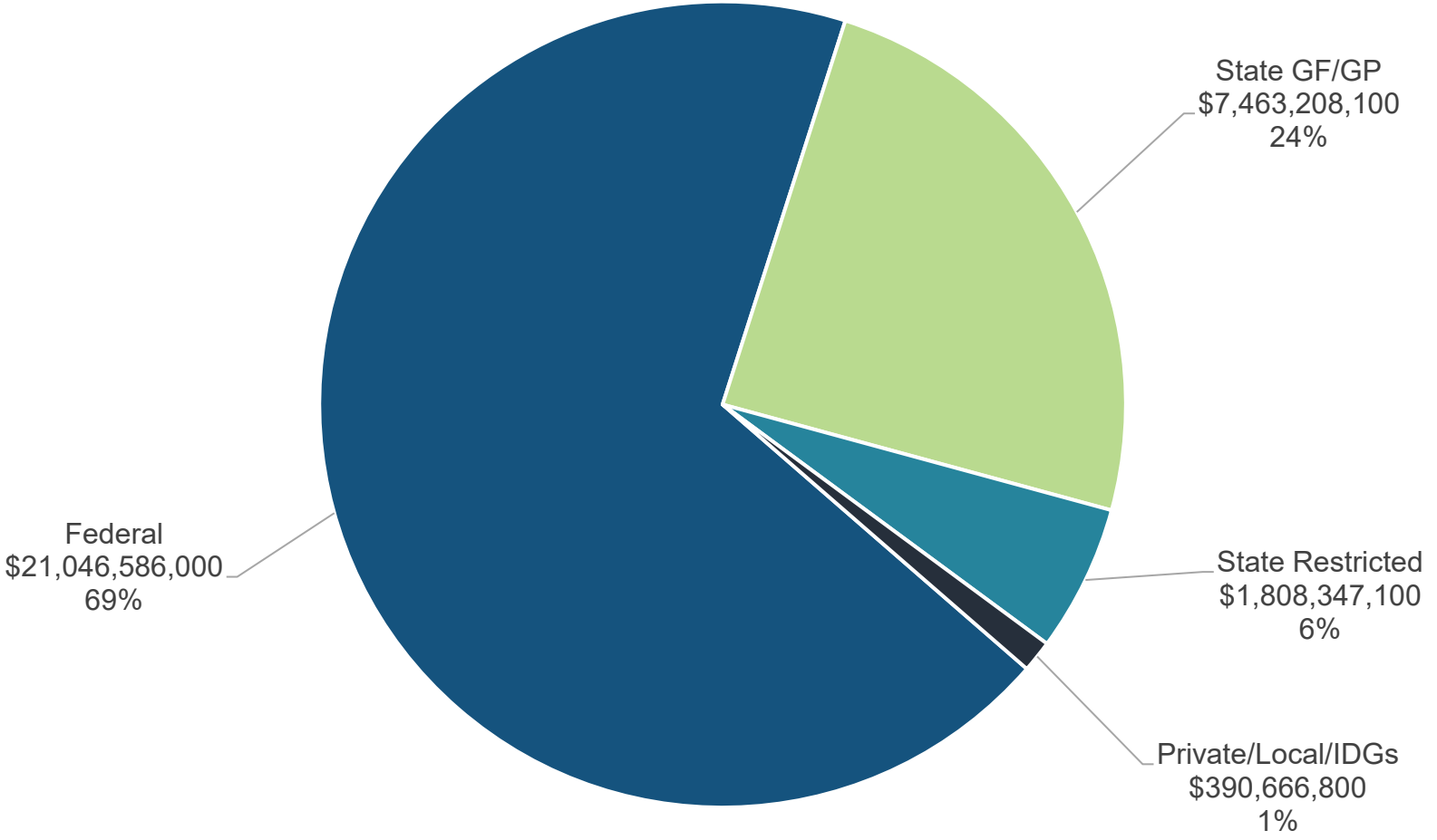
Funding Sources

FY 2026-27 DHHS Budget

Fund Source	Funding	Description
Gross Appropriations	$30,706,808,000	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	15,504,500	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	$30,691,303,500	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	21,046,586,000	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	186,507,100	Revenue received from local units of government for state services
Private Revenue	188,655,200	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	1,806,347,100	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	$7,463,208,100	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

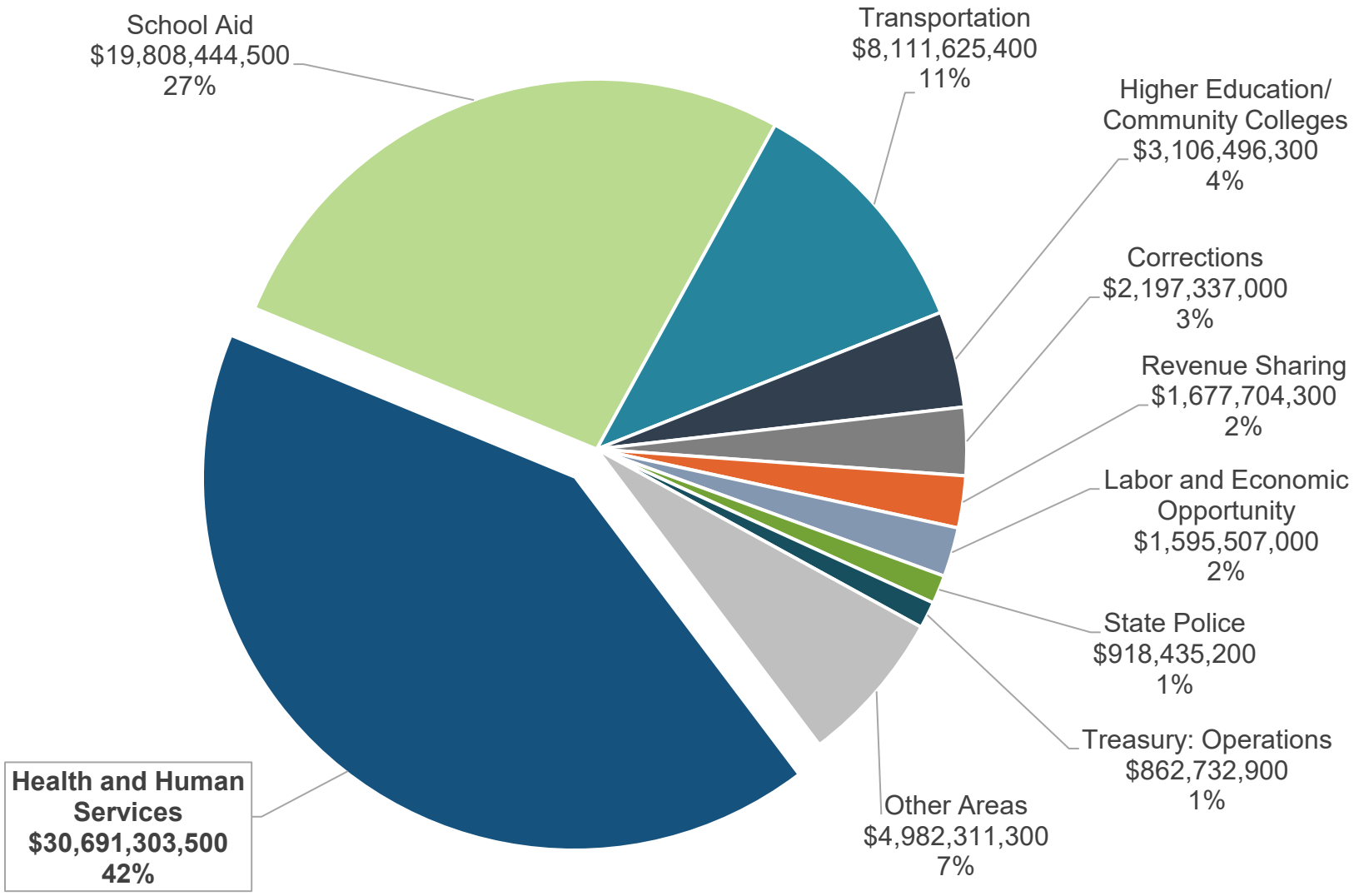
FY 2026-27 Fund Sources

69% of the **$31.0 billion** DHHS budget is funded by federal revenue, including Medicaid and Healthy Michigan Plan matching funds, food assistance funds, and the TANF block grant.



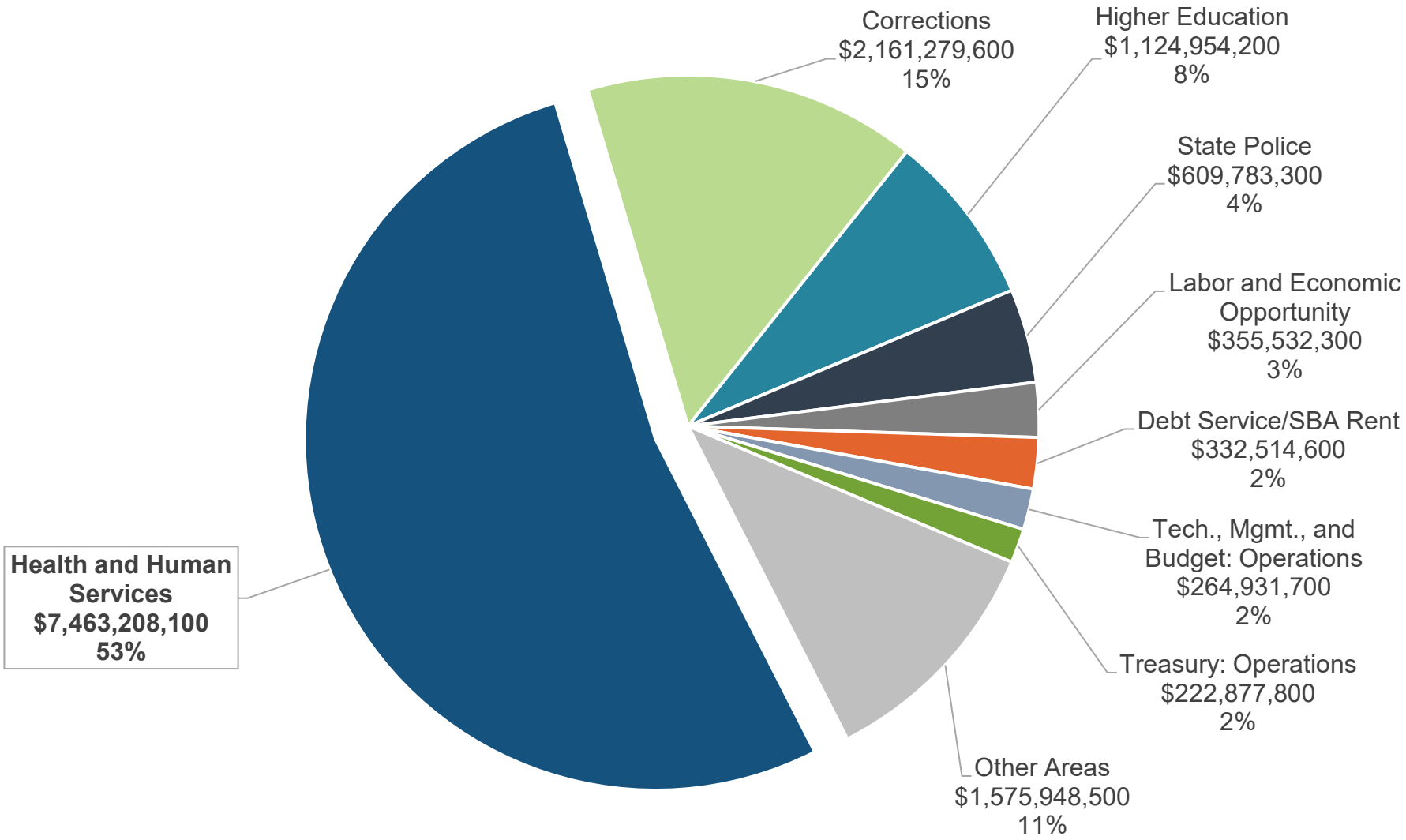
DHHS Share of Total State Budget

The DHHS budget represents **42%** of the **$74.0 billion** state budget (adjusted gross) for FY 2026-27.



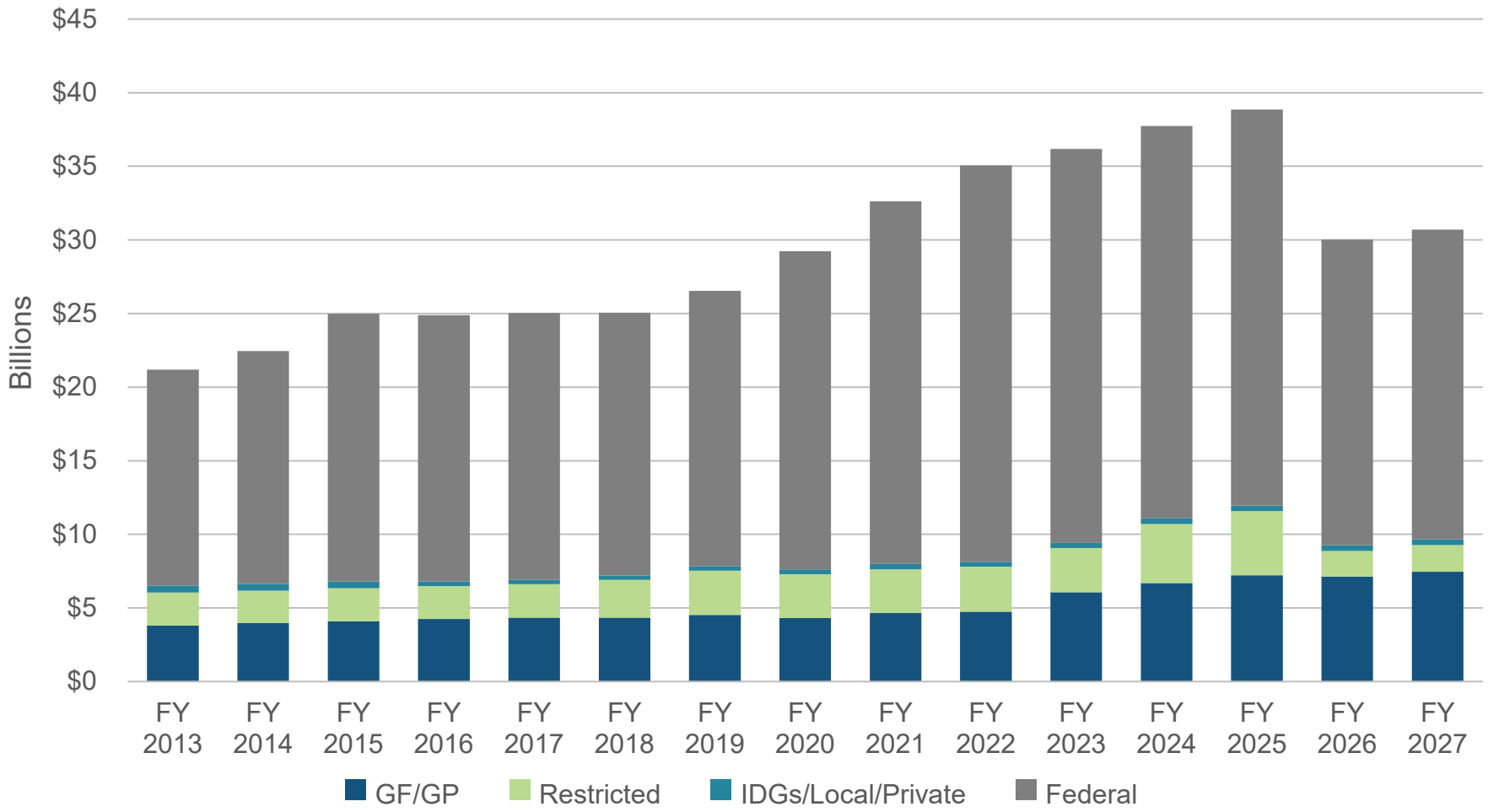
DHHS Share of Total GF/GP Budget

The DHHS budget represents **53%** of the state's **$14.1 billion** GF/GP budget for FY 2026-27.



DHHS Funding History

Funding for Health and Human Services has grown by **45%** comparing FY 2025-26 to FY 2012-13, primarily from increases in federal funding for Medicaid, food assistance, Healthy Michigan Plan, and for coronavirus pandemic assistance starting in 2020. Line item funding was reduced by **23%** in FY 2024-25 from moving over $9.0 billion of special Medicaid payments to a boilerplate pass through authorization.



Note: Amounts prior to FY 2015-16 are totals for DCH and DHS

Appropriation Areas

DHHS Appropriation Areas

Medical Services: Provided under Medicaid, Healthy Michigan Plan, MIChild, and Children's Special Health Care Services; delivered by managed care plans and medical providers

Behavioral Health: Services provided through community mental health services programs, prepaid inpatient health plans (Medicaid-funded), and state-run hospitals; includes substance use disorder services

Population Health: Services addressing infectious disease, chronic disease, and environmental health, and services for vulnerable populations; provided in partnership with local health departments

Public Assistance: Cash, food, and emergency needs support

Child Welfare: Foster care, adoption, and family preservation programs

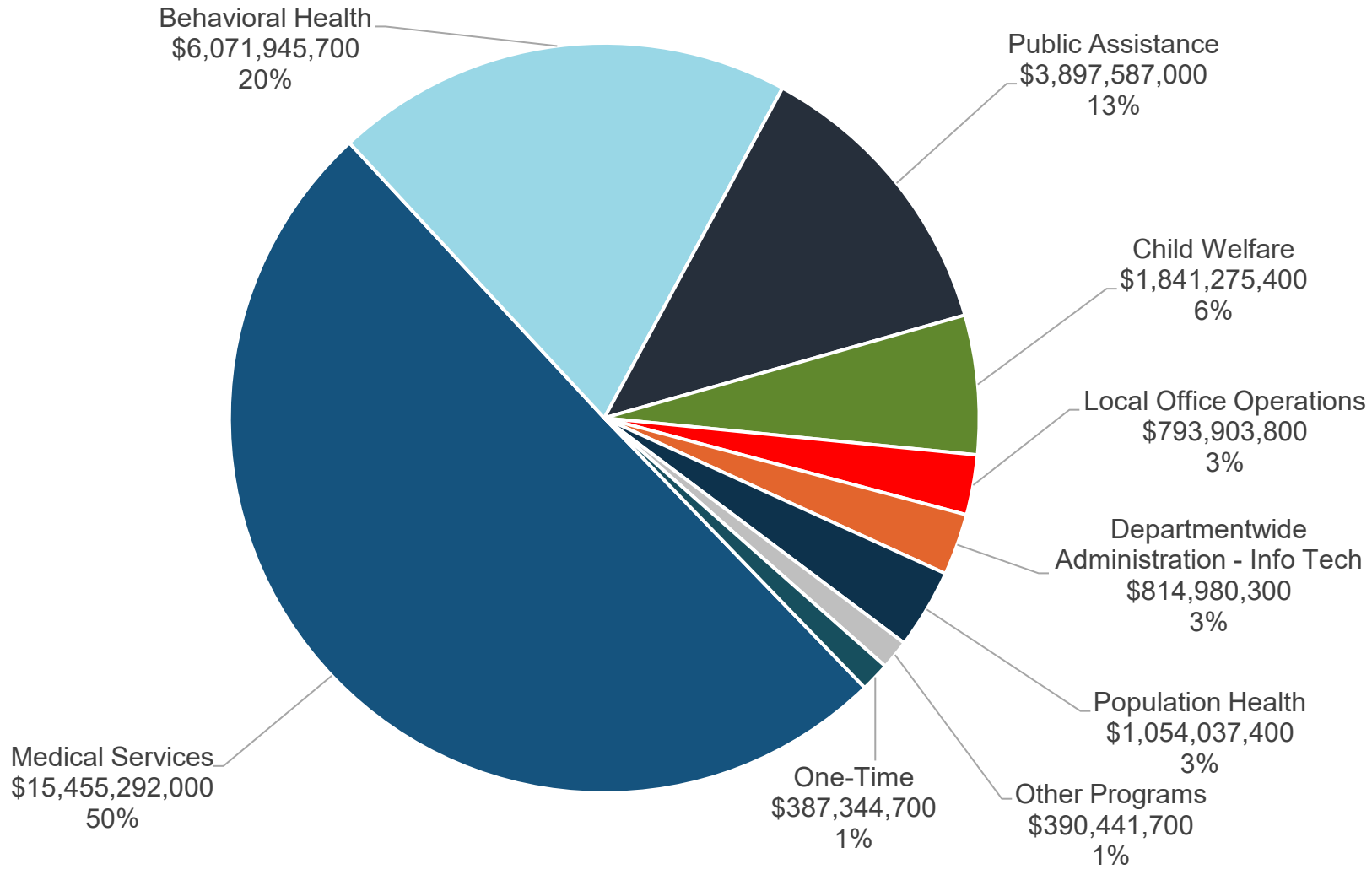
Local Office Operations: Local county and district DHHS offices, through which most DHHS programs and services are accessed; includes child support enforcement

Departmentwide Administration: Central administration, including information technology

Other: Community services and outreach; disability determination services; aging and adult services

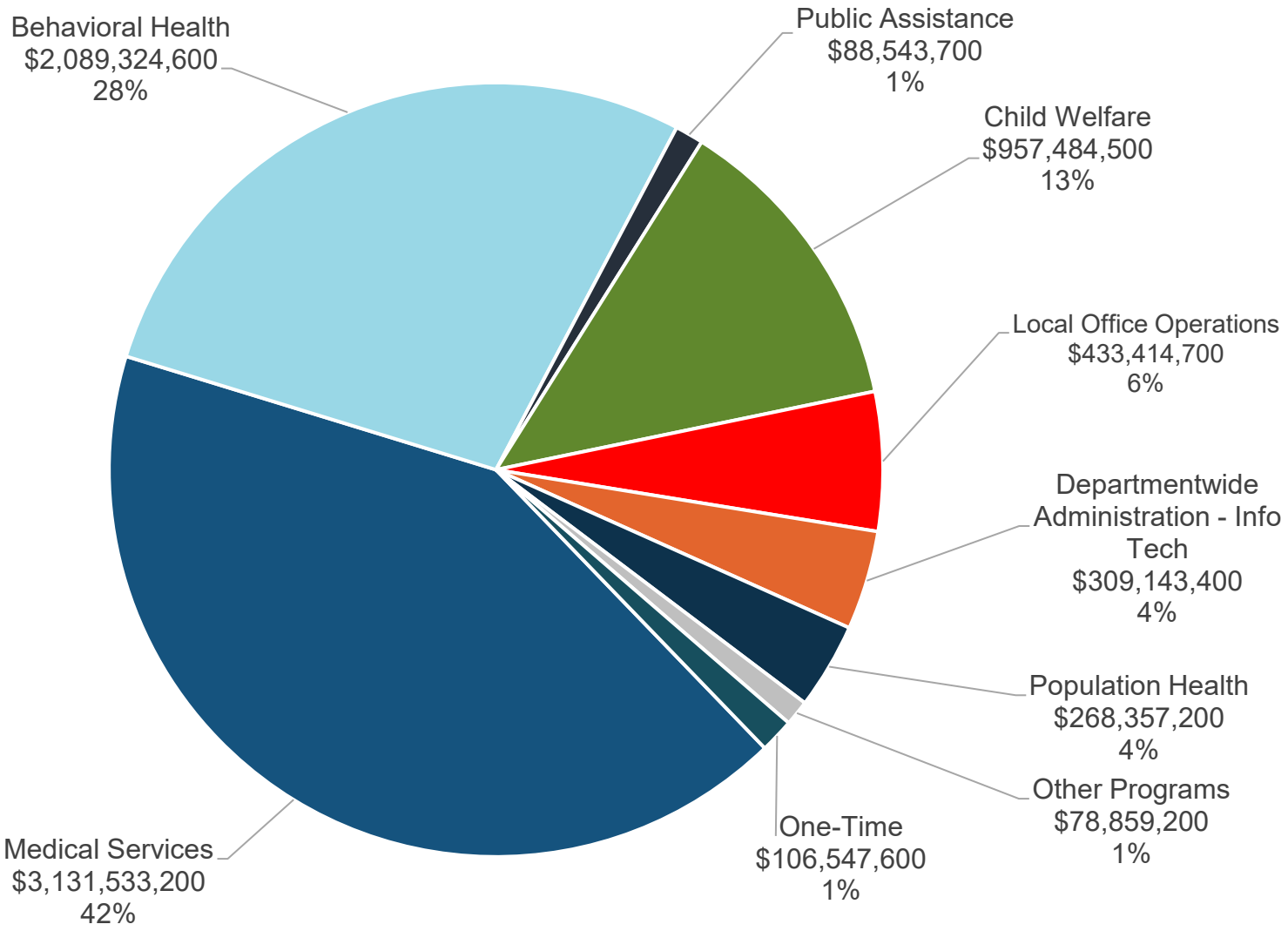
FY 2026-27 Gross Appropriations by Areas

Over two thirds of the **$30.1 billion** DHHS budget supports medical and behavioral health services, most of which are provided through Medicaid and the Healthy Michigan Plan.



FY 2026-27 GF/GP Appropriations by Areas

GF/GP funds totaling **$7.5 billion** are primarily appropriated to support medical services, behavioral health services, and child welfare programs.



For more information about the Health and Human Services budget:

Behavioral Health – Kevin Koorstra, Deputy Director: kkoorstra@house.mi.gov

Medicaid – Kent Dell, Senior Fiscal Analyst: kdell@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_Medicaid_BudgetBriefing_fy26-27.pdf

Population Health, Aging Services – Sydney Walker, Senior Fiscal Analyst: swalker@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_PH_BudgetBriefing_fy26-27.pdf

Child Welfare Services – Sydney Walker, Senior Fiscal Analyst: swalker@house.mi.gov

Child Support, Public Assistance, Local Office Operations – Cassidy Uchman, Fiscal Analyst: cuchman@house.mi.gov

Briefing: http://www.house.mi.gov/hfa/PDF/Briefings/HHS_HS_BudgetBriefing_fy26-27.pdf

HFA Phone: (517) 373-8080

Other HFA Resources - http://www.house.mi.gov/hfa/HealthandHumanServices.asp