

Fiscal Year 2025 Executive Budget Recommendation

February 2024

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Agenda

- Impact of Services.
- 2024 Investment Updates.
- 2025 Budget Overview.
- 2025 Proposed Investments.



Mission

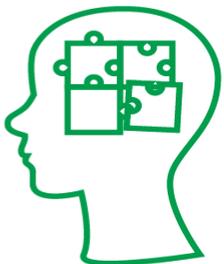
MDHHS provides services and administers programs to improve the health, safety, and prosperity of the residents of the state of Michigan.



More than **3.3 million people** *received assistance* to put food on the table, cover child care costs, receive medical attention and keep utilities on at home.



Behavioral health crisis lines and peer warmlines received **163,163 calls, texts and chats**.



Grants and support to **278 Child and Adolescent Health Centers** and programs that improved access to community-based behavioral health care.



3.2 million people, including 1.25 million children, provided with *health care coverage*.



1,942 children *safely reunified* with parents or primary caregivers.



1.25 million children provided with *dental benefits*.

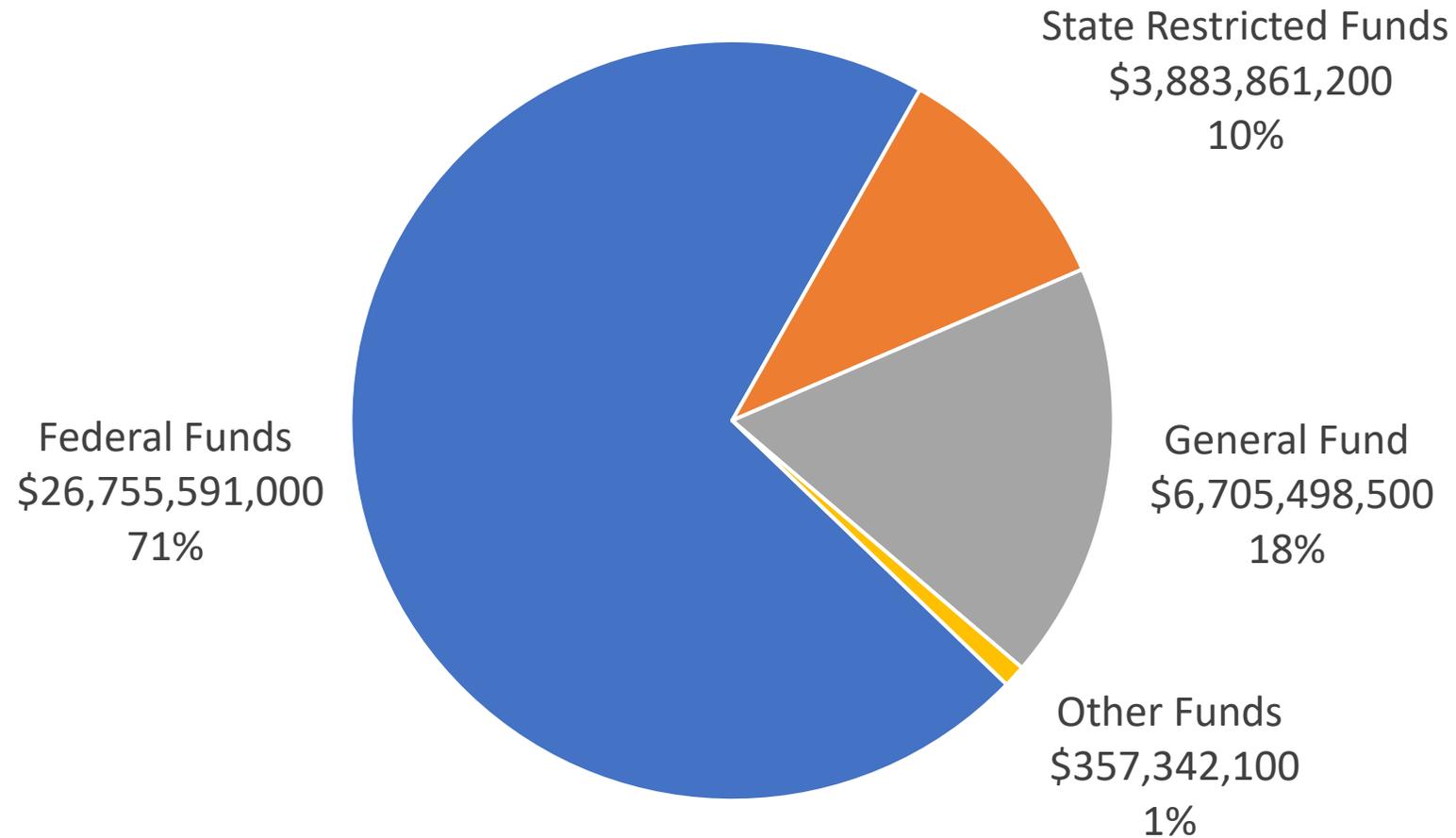


More than **1,600 children** *adopted*.

2024 Investment Updates

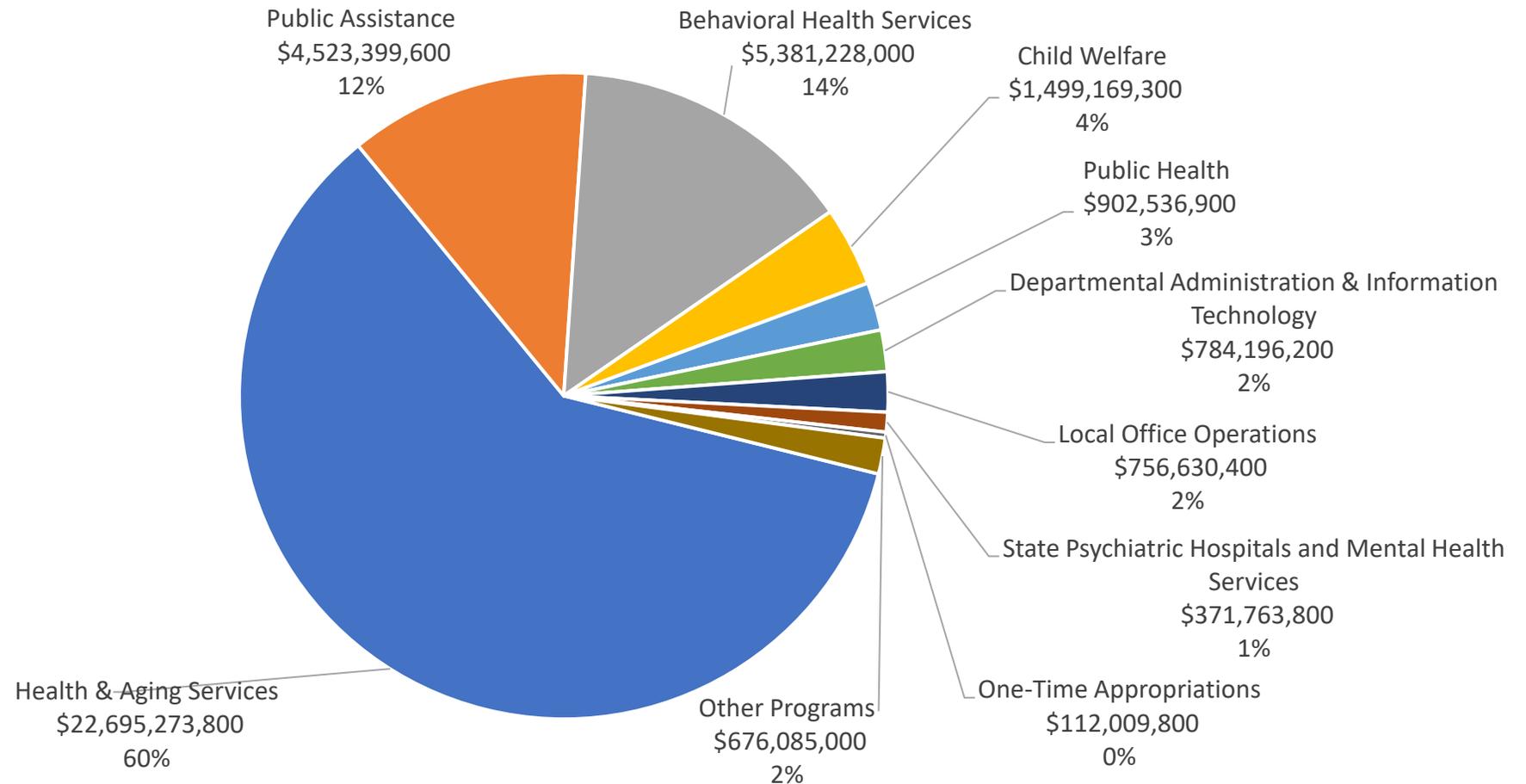
- Certified Community Behavioral Health Clinics - \$279.7 million, \$25 million General Fund (GF).
- Environmental Public Health Threats - \$22.5 million GF.
- Water Quality Projects - \$61.4 million GF (one-time).
- Essential Local Public Health Services - \$25 million GF.
- Foster Care Rate Increases - \$19.3 million, \$3.5 million GF.
- Health Care Access Improvements via Medicaid Rates - \$164.1 million, \$38.5 million GF.
- Workforce Enhancements via Direct Care and Non-Direct Care Wages - \$140.1 million, \$49.7 million GF.
- Healthy Moms, Healthy Babies - \$65.1 million, \$34.9 million GF (including \$12.5 million one-time).
- Children's Special Health Care Services - \$5.2 million, \$3.7 million GF.
- Community Violence Intervention - \$5 million GF (one-time).
- Respite Care Support Program - \$10 million GF.
- Juvenile Justice Reform - \$31.5 million GF.
- Racial Disparities Task Force Recommendations - \$41 million gross, \$36 million GF (including \$31 million one-time).

2025 Funding Sources



Total: \$37.7 billion

2025 Spending Categories



- Nearly three-quarters of the \$37.7 billion MDHHS budget supports physical and behavioral health and aging services.

2025 Investments

- Keeping Kids Safe.
- Expanding Behavioral Health Access.
- Strengthening Medicaid Coverage.
- Assisting Families.
- Supporting the Health Care Workforce.



A young girl with curly hair is sitting on a wooden bench, looking towards the right. She is holding hands with an adult whose hand is visible on the right side of the frame. The background is a wooden wall.

Keeping Kids Safe

Modified Implementation, Sustainability and Exit Plan (MISEP)



Description

- 74 provisions originally in agreement under U.S. District Court of Eastern District of Michigan oversight since 2008.
- 23 provisions subject to ongoing monitoring as of January 2023.
- Significant progress including exceeding standards of worker caseload, decreasing the number of children placed in congregate care, and decreasing the number of children in foster care.
- Brings Michigan closer to ending 15 years of court oversight with continued focus on keeping kids safe.
- Additional funds will support additional steps needed.

Proposed Investments

- \$10 million to keep kids safe and support compliance with court ordered MISEP.

Outcomes

- Help keep kids safe.
- Meet MISEP Standards.
- Decrease number of children in congregate care.
- Decrease number of children in foster care.

Child Caring Institutions



Description

- MDHHS licenses child caring institutions for the purpose of caring for and supervising children on a 24-hour basis for foster care and juvenile justice needs.
- Still there is regularly a waiting list for children to get into the facilities and receive necessary services.
- Provider contracts are being restructured and right-sized based on the needs of children across the state.
- Proposal is designed to ensure 600 kids will be placed and receive the services needed each day.

Proposed Investment

- \$38 million gross (\$30.3 million GF) to provide a simplified rate structure that meets demand for beds of children in need of care in a residential setting.

Outcomes

- Help keep kids safe.
- Provide financial certainty to contracted service providers.

Juvenile Justice

Ongoing

\$6.9M Gross

\$5.7M GF



One-Time

\$5M Gross

\$5M GF

Description

- Establish baseline case management standards.
- Provide incentives to youth.
- Augment reentry services.
- Conduct risk assessment screening.
- Establish case review process.
- Reinstate Medicaid for youth leaving detention.
- Publicly report progress on key measures.
- Improve state-operated facility infrastructure.
- Build staffing capacity.
- Adjust rates to respond to residential cost challenges.

Proposed Investment

- \$6.9 million gross (\$5.7 million GF) to implement recommendations made by the Governor's Task Force on Juvenile Justice Reform.
- \$5 million one-time GF for infrastructure improvements to the Bay Pines and Shawono Centers.

Outcomes

- Help keep kids safe.
- Reduce racial and ethnic disparities.
- Improve efficiency and effectiveness of operations.
- Increase accountability and transparency.

Expanding Behavioral Health Access

Certified Community Behavioral Health Clinics (CCBHC)

Ongoing

\$193.3M Gross

\$35.6M GF



Description

- The CCBHC model increases access to a comprehensive array of behavioral health services by serving all individuals with a behavioral health diagnosis, regardless of insurance or ability to pay.
- 13 sites joined in 2021.
- 17 more clinics have been certified and approved to join.
- Expanding to additional sites will offer a sustainable model to provide high quality services to Michigan's most vulnerable populations.

Proposed Investment

- \$191.5 million gross (\$34.6 million GF) to expand to additional sites.
- \$800,000 gross (\$500,000) to provide program oversight and quality monitoring, technical assistance, and financial operations.
- \$1 million gross (\$500,000 GF) to support actuarial and contractual costs related to the development of CCBHC rates.

Outcomes

- Serve an estimated 50,000 more people.
- Increase follow up care after emergency visits for mental health and substance use disorders.

Michigan Crisis and Access Line (MiCAL)

Ongoing

\$7.2M Gross

\$8.3M GF



Description

- MiCAL is Michigan's 24/7 statewide crisis, support, information, and referral line.
- MiCAL allows people to call, text, or chat for help before symptoms get worse, which would require more intensive and expensive care.
- MiCAL answers calls to the 988 Suicide & Crisis Lifeline, which are increasing.
- National 988 backup centers are currently answering Michigan's 988 texts and chats.
- Many people, especially youth, prefer to chat or text.
- 80% of calls, chats, and texts are resolved on the phone.

Proposed Investment

- \$5 million GF to convert one-time funds from FY 2024 to ongoing.
- \$2.2 million gross (\$1.9 million GF) to support increased costs for 988 marketing.
- \$1.4 million GF to offset reduced federal funds.

Outcomes

- Provide every Michigander access to trained 24/7 support when they are having a mental health crisis or distress.
- Increase response time.

Medicaid Behavioral Health Provider Rate Increase

Ongoing

\$36.1M Gross

\$10.2M GF



Description

- Medicaid reimbursement for outpatient behavioral health services by non-physicians is only 75% of the medical practitioner rate for the same services.
- There is a persistent shortage of behavioral health providers.
- 40% of adults under 65 on Medicaid had a mental health or substance use disorder.
- 13% of Michigan children deal with anxiety and depression.
- Only 5% of Michigan's Medicaid beneficiaries receive outpatient behavioral health services from fully licensed non-physician providers.

Proposed Investment

- \$36.1 million gross (\$10.2 million GF) to align reimbursement rates of behavioral health practitioners with medical professionals.

Outcomes

- Increase access to outpatient behavioral health services.
- Reduce health and economic disparities.

A photograph of two women sitting on a grey couch in a modern living room. The woman on the left is pregnant and wearing a white long-sleeved shirt and blue jeans, smiling and gesturing with her hands. The woman on the right is wearing a beige sweater and blue jeans, holding a clipboard and pen, looking at the pregnant woman. The background is a light-colored wall with a potted plant on the right.

Strengthening Medicaid Coverage

MiHealthy Life – Medicaid Health Plan Improvements

Description

- Children enrolled in Medicaid must receive immunizations from a Vaccines For Children (VFC) provider, per federal requirements.
- Participation in the VFC program is decreasing as fewer parents are taking kids for vaccinations.
- Vaccination rates for Michigan children on Medicaid are lower than those on commercial insurance.
- In 2020, 1.9 million Michiganders faced food insecurity, including 1 in 7 children.
- Medicaid Health Plan (MHP) enrollees are among those most vulnerable to food insecurity.
- MHPs may provide medically appropriate, cost-effective alternatives to medical state plan services through In Lieu of Services (ILOS), which pay for services that address health-related social needs.
- ILOS can pay for home-delivered meals that meet the dietary needs of qualifying enrollees.

Proposed Investments

- \$7 million gross (\$2.5 million GF) to increase reimbursement rates for Vaccines For Children providers.
- \$10 million (\$3.5 million GF) to incentivize MHPs to impact food insecurity through ILOS.
- \$3 million (\$1.6 million GF) to improve program monitoring, evaluation, and accountability.

Outcomes

- Reduce health disparities.
- Increase childhood vaccination rates.
- Reduce food insecurity.
- Ensure health plan compliance with new contractual requirements.

Healthy Moms, Healthy Babies

Description

- Maternal Infant Health Program (MIHP) is a statewide, evidence-based Medicaid-funded home visitation program for pregnant and postpartum people, infants, and caregivers.
- MIHP serves more than 15,000 Medicaid-eligible pregnant people and 20,000 infants annually.
- There are currently 68 MIHP agencies representing 98 sites across the state.
- Results from a recent pilot found that when MIHP agencies were able to bill for enhanced services, home visitors were more effective at addressing participants' social determinants of health.
- Enhanced care management services will allow MIHP providers to establish a network of support around program participants.
- Increase Medicaid rate to doulas for longer deliveries, increase reimbursed number of doula visits, and support doula connections.

Proposed Investment

- \$3.3 million (\$918,700 GF) to increase reimbursement rates to MIHP service providers for additional care management services.
- \$2 million (\$545,100 GF) for increases in Medicaid reimbursement for doula care.
- \$2.9 million one-time (\$1.4 million GF) for doula training and outreach.
- \$7.5 million one-time GF to continue state grants for CenteringPregnancy and the Regional Perinatal Quality Collaborative.

Outcomes

- Achieve equitable birth outcomes.
- Provide enhanced services to more than 11,000 individuals.
- Decrease health and racial disparities.



Assisting Families

Housing Assistance

Description

- Increase the lifetime maximum available for interventions to maintain housing (up to \$5,000).
- Permit direct intervention in circumstances of tax delinquency.
- Families approved for a housing choice voucher are often unable to successfully find housing and move in within the federal timeline, resulting in the inability to use the voucher and return to the waiting list.
- Provide enhanced housing supports to eligible families engaged with Michigan's child welfare system, such as preventing eviction, paying first month's rent, and covering utility arrears.
- Support unhoused families and families at risk of experiencing homelessness.

Proposed Investment

- \$3.5 million ongoing Temporary Assistance for Needy Families (TANF) and \$4.5 million one-time GF for enhanced housing supports to families engaged with the child welfare system.
- \$2 million one-time GF to expand family shelters.
- \$750,000 one-time GF for short-term hoteling due to lack of permanent shelter options.

Outcomes

- Prevent foreclosure.
- Prevent people experiencing homelessness.
- Keep families together.
- Provide families with a safe place to stay.

Public Assistance



Description

- Increase the maximum Family Independence Program (FIP) payment standard by 35%.
- Extend lifetime limit of FIP benefits from 48 months to the federal standard of 60 months.
- Convert FIP small child supplemental payment to a monthly payment and increase payments to \$150 per child per month.
- Expand access to State Emergency Relief (SER) program for eligible families to receive emergency cash assistance.
- Assist homeowners in tax delinquency.
- Increase lifetime assistance to \$5,000 to help keep families and individuals housed.
- Expand prenatal and infant support programs to improve the economic stability of households with young children.

Proposed Investments

- \$36 million Temporary Assistance for Needy Families (TANF) for FIP payments.
- \$10 million TANF for FIP small child supplement.
- \$30 million TANF for SER.
- \$24 million TANF for prenatal and infant support programs.

Outcomes

- Reduce poverty.
- Reduce neglect and maltreatment.

Medicaid Birth Recovery



Description

- Michigan is one of only three states that recovers birth expenses paid by Medicaid from the fathers of children whose biological parents are unwed.
- 40% of births in Michigan are paid for by Medicaid and over 20,000 collections are made monthly from unwed fathers.
- Recovering birth expenses from Medicaid's most vulnerable families disproportionately impacts marginalized racial groups.
- By ending this practice, Michigan can promote connection between unwed fathers and their newborn children, thereby removing obstacles to financially and emotionally supporting those children.

Proposed Investment

- \$13.7 million gross (\$4.8 million GF) to replace lost revenue from ending Michigan's Medicaid birth expenses recovery program.

Outcomes

- Provide additional income to families in need.
- Keep families together.

Summer Food Assistance



Description

- Michigan receives federal funding from the U.S. Department of Agriculture to support food assistance for families.
- Free meals will be made available to school-age children from June through August.
- The new, permanent Summer Electronic Benefit Transfer (EBT) program begins in summer 2024.
- Summer EBT benefits will come in the form of pre-loaded cards that families can use to purchase groceries.
- Over 900,000 students are expected to benefit from the \$120 benefit per child.

Proposed Investments

- \$108 million federal funds to extend Food Assistance Program support to schoolchildren during the summer months.

Outcomes

- Reduce child hunger.
- Improve diet quality.
- Support better health outcomes for youth.



Supporting the Health Care Workforce

Nursing Loan Repayment Program



Description

- Michigan is experiencing a significant nursing shortage, including certified nursing assistants and registered nurses, which is delaying the treatment in state psychiatric hospitals, the behavioral and physical health community, schools, and assisted living facilities.
- This proposal will assist schools and state psychiatric hospitals to attract and retain more nurses to help alleviate the shortage.
- The program will allow for the repayment of a nurse's student loan over a four-year period in return for their commitment to employment.

Proposed Investment

- \$10 million one-time GF to support a new loan repayment for nurses in return for service in state-operated and non-state-operated facilities.

Outcomes

- Attract and retain more nurses.
- Improve quality of care.
- Increase access to services.

Behavioral Health Workforce



Description

- Offer scholarships to students seeking careers in behavioral health.
- Support behavioral health providers, community organizations, and school partners who can facilitate career pathways, mentorship opportunities, and offer residencies or on-the-job training.
- Provide grants for career training and certification needs.

Proposed Investment

- \$500,000 ongoing GF for assistance grants to professionals to support continuing education, examination fees, and supervision costs.
- \$3 million one-time federal American Rescue Plan funding to Michigan's public universities to support expansion of internship and scholarships associated with behavioral health coursework.

Outcomes

- Improve recruitment.
- Support students pursuing behavioral health careers.
- Improve quality of care.

Non-Direct Care Wage



Description

- Michigan is experiencing a crisis in health care workforce shortages while the demand for services continues to rise.
- Low wages contribute to the shortage of non-direct care nursing home staff.
- Non-direct care workers include but are not limited to the following categories: housekeeping, maintenance, plant operations, laundry, dining room assistants, dietary workers, medical records, social services, and other diversional therapy staff.

Proposed Investment

- \$14 million ongoing GF to provide a wage increase of \$0.85/hour to non-direct care staff employed in institutional long-term care facilities.

Outcomes

- Reduce staff turnover.
- Attract more workers.
- Improve quality and consistency of patient care.



Additional Investments

Sexual Assault Victims Services



Description

- Maintain current services to sexual assault survivors, including sexual assault medical forensic examination services and comprehensive sexual assault services, such as crisis support, advocacy, counseling, and support groups.
- In 2022, funding provided support to over 11,000 survivors, including 4,000 children, and over 10,000 forensic examinations.
- MDHHS currently provides support to 16 Sexual Assault Nurse Examiner (SANE) programs and 36 sexual assault service providers.

Proposed Investment

- \$1 million GF to offset declining revenue to the SANE Fund.
- \$1 million GF to offset loss of previous one-time funds.

Outcomes

- Improve health outcomes for sexual assault survivors.
- Increase criminal prosecutions.

Making a Difference

Ongoing

- Substance Use Disorder Support - \$8.3 million.
- Gambling Disorder Treatment - \$4 million.
- Foster Care Holiday and Clothing Allowance - \$1.4 million.
- Incarcerated Individuals Community Reentry Medicaid - \$30.5 million.
- Michigan Energy Assistance Program (MEAP) - \$15 million.
- MIChoice Structured Family Caregiving - \$5 million.
- Community Violence Intervention - \$500,000.
- Smoking Prevention - \$5 million.
- Racial Disparities Task Force - \$10 million.
- 2-1-1 Investment - \$1 million.

One-Time

- Community Violence Intervention - \$5 million.
- Racial Disparities Taskforce - \$25 million.
- Home Health Care Authority - \$1 million.
- Firearm Injury and Violence Prevention - \$4.3 million.
- Family Planning Local Grants - \$14.2 million.
- First Responder and Public Safety Staff Mental Health - \$2.5 million.
- National Kidney Foundation - \$250,000.

Questions & Discussion

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A group of diverse young children are waving from the windows of a yellow school bus. The children are smiling and appear happy. The scene is captured from a low angle, looking up at the bus. The overall tone is positive and grateful.

Thank you!