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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

APPROPRIATION SUMMARY

<table>
<thead>
<tr>
<th>Position Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time equated unclassified positions</td>
<td>6.0</td>
</tr>
<tr>
<td>Full-time equated classified positions</td>
<td>15,466.0</td>
</tr>
</tbody>
</table>
Average population............................. 770.0
GROSS APPROPRIATION ............................... $ 25,169,447,000
Interdepartmental grant revenues:
Total interdepartmental grants and intradepartmental
transfers............................................ 13,640,900
ADJUSTED GROSS APPROPRIATION ....................... $ 25,155,806,100
Federal revenues:
Social security act, temporary assistance for needy families................................. 532,006,900
Capped federal revenues ................................. 588,839,600
Total other federal revenues ....................... 16,984,168,600
Special revenue funds:
Total local revenues ................................. 117,033,600
Total private revenues ................................. 149,873,300
Michigan merit award trust fund ...................... 49,068,700
Total other state restricted revenues ............... 2,393,101,100
State general fund/general purpose ................... $ 4,341,714,300

Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT
Full-time equated unclassified positions .......... 6.0
Full-time equated classified positions .......... 749.1
Unclassified salaries--6.0 FTE positions ............ $ 1,153,000
Administrative hearings officers .................... 11,219,700
Demonstration projects--7.0 FTE positions ............ 7,355,100
Departmental administration and management--555.1 FTE
positions............................................. 94,751,100
Developmental disabilities council and projects--10.0
FTE positions........................................... 3,073,700
1 Office of inspector general--177.0 FTE positions ...... 21,892,200
2 Property management ........................................ 64,339,500
3 Terminal leave payments ...................................... 5,686,100
4 Worker's compensation ........................................ 7,502,800
5 GROSS APPROPRIATION ........................................ $ 216,973,200
6 Appropriated from:
7 Interdepartmental grant revenues:
8 IDG from department of education ......................... 1,919,500
9 Federal revenues:
10 Social security act, temporary assistance for needy families ........................................ 22,973,500
11 Capped federal revenues ........................................ 20,349,200
12 Total other federal revenues ................................. 74,254,900
13 Special revenue funds:
14 Total local revenues .......................................... 16,400
15 Total private revenues ......................................... 3,843,200
16 Total other state restricted revenues ....................... 841,400
17 State general fund/general purpose ......................... $ 92,775,100

Sec. 103. CHILD SUPPORT ENFORCEMENT

18 Full-time equated classified positions ............... 185.7
19 Child support enforcement operations--179.7 FTE positions ....................... 22,312,200
20 Child support incentive payments ......................... 24,409,600
21 Legal support contracts ........................................ 113,607,100
22 State disbursement unit--6.0 FTE positions .............. 8,112,800
23 GROSS APPROPRIATION ...................................... $ 168,441,700
24 Appropriated from:
Federal revenues:

Capped federal revenues .................................. 1,735,000
Total other federal revenues ............................ 142,644,500
State general fund/general purpose ....................... $ 24,062,200

Sec. 104. COMMUNITY SERVICES AND OUTREACH

Full-time equated classified positions .......... 74.6
Bureau of community services and outreach--20.0 FTE
positions.......................................................... $ 2,529,300
Child advocacy centers--0.5 FTE position ............ 1,500,000
Community services and outreach administration--11.0
FTE positions....................................................... 1,465,000
Community services block grant ......................... 25,840,000
Crime victim grants administration services--13.0 FTE
positions........................................................... 2,177,100
Crime victim justice assistance grants .................. 59,279,300
Crime victim rights services grants ..................... 16,870,000
Domestic violence prevention and treatment--14.6 FTE
positions........................................................... 15,817,200
Homeless programs .................................................. 19,466,700
Housing and support services ................................. 13,031,000
Michigan community service commission--15.0 FTE
positions........................................................... 11,628,700
Rape prevention and services--0.5 FTE position ...... 5,097,300
School success partnership program ....................... 525,000
Weatherization assistance .................................... 16,340,000
GROSS APPROPRIATION ......................................... $ 191,566,600

Appropriated from:
Federal revenues:

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
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<td>Social security act, temporary assistance for needy families</td>
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<td>Total other federal revenues</td>
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Special revenue funds:

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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Private - collections</td>
<td>44,100</td>
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<tr>
<td>Compulsive gambling prevention fund</td>
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<td>Sexual assault victims' prevention and treatment fund</td>
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<tr>
<td>Child advocacy centers fund</td>
<td>1,500,000</td>
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<tr>
<td>Crime victim's rights fund</td>
<td>15,337,000</td>
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<tr>
<td>State general fund/general purpose</td>
<td>14,950,900</td>
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</tbody>
</table>

Sec. 105. CHILDREN’S SERVICES AGENCY - CHILD WELFARE

- Full-time equated classified positions ... 3,844.2
- Adoption subsidies ........................................................................... $ 212,142,600
- Adoption support services--10.0 FTE positions ................................ 27,283,500
- Attorney general contract .................................................................. 4,366,500
- Child abuse and neglect - children's justice act--1.0 FTE position........ 622,600
- Child care fund ................................................................................ 177,440,100
- Child protection ................................................................................ 800,300
- Child welfare administration travel .................................................. 375,000
- Child welfare field staff - caseload compliance--2,461.0 FTE positions .... 229,613,400
- Child welfare field staff - noncaseload compliance--330.0 FTE positions .... 34,559,000
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<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Full-Time Equivalents (FTE)</th>
<th>Cost</th>
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<tr>
<td>1</td>
<td>Child welfare first line supervisors</td>
<td>578.0</td>
<td>72,890,500</td>
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<td>2</td>
<td>Child welfare institute</td>
<td>45.0</td>
<td>8,203,600</td>
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<td>3</td>
<td>Child welfare licensing</td>
<td>59.0</td>
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<td>4</td>
<td>Child welfare medical/psychiatric evaluations</td>
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<td>10,435,500</td>
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<td>Child welfare licensing</td>
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<td>6</td>
<td>Children's services administration</td>
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<td>8</td>
<td>Children's trust fund</td>
<td>12.0</td>
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<td>9</td>
<td>Contractual services, supplies, and materials</td>
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<td>9,300,000</td>
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<td>10</td>
<td>Education planners</td>
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<td>1,530,100</td>
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<tr>
<td>11</td>
<td>Family preservation and prevention services</td>
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<tr>
<td>12</td>
<td>Family preservation and prevention services</td>
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<td>1,299,300</td>
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<tr>
<td>13</td>
<td>Family preservation programs</td>
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<td>14</td>
<td>Family support subsidy</td>
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<td>16,951,400</td>
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<td>15</td>
<td>Foster care payments</td>
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<td>192,269,300</td>
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<td>16</td>
<td>Guardianship assistance program</td>
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<td>12,004,800</td>
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<td>17</td>
<td>Interstatecompact</td>
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<td>179,600</td>
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<td>18</td>
<td>Peer coaches</td>
<td>45.5</td>
<td>5,737,300</td>
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<td>19</td>
<td>Performance-based funding implementation</td>
<td>3.0</td>
<td>1,444,800</td>
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<td>20</td>
<td>Performance-based funding implementation</td>
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<tr>
<td>21</td>
<td>Permanency resource managers</td>
<td>28.0</td>
<td>3,197,900</td>
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<td>22</td>
<td>Prosecuting attorney contracts</td>
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<td>3,879,500</td>
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<td>23</td>
<td>Psychotropic oversight</td>
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<td>618,200</td>
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<tr>
<td>24</td>
<td>Second line supervisors and technical staff</td>
<td>54.0</td>
<td>8,912,000</td>
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<tr>
<td>25</td>
<td>Settlement monitor</td>
<td></td>
<td>1,885,800</td>
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<tr>
<td>26</td>
<td>Strong families/safe children</td>
<td></td>
<td>12,350,100</td>
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</tbody>
</table>
Title IV-E compliance and accountability office--4.0
FTE positions................................................. 424,700
Youth in transition--4.5 FTE positions ..................... 14,276,300
GROSS APPROPRIATION..................................... $1,134,187,500

Appropriated from:
Interdepartmental grant revenues:
IDG from department of education ..................... 90,200
Federal revenues:
Social security act, temporary assistance for needy
families...................................................... 348,647,400
Capped federal revenues ................................... 112,538,600
Total other federal revenues ...................... 244,113,100
Special revenue funds:
Private - collections ..................................... 2,927,400
Local funds - county chargeback ....................... 14,658,300
Children's trust fund ..................................... 2,091,900
State general fund/general purpose .................. $409,120,600

Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE

JUSTICE

Full-time equated classified positions........120.5
Bay Pines Center--47.0 FTE positions ............... $5,468,900
Committee on juvenile justice administration--2.5 FTE
positions..................................................... 351,400
Committee on juvenile justice grants ............... 3,000,000
Community support services--3.0 FTE positions ...... 2,116,600
County juvenile officers................................. 3,904,300
Juvenile justice, administration and maintenance--21.0
1  FTE positions .......................................................... 3,739,300
2  Shawono Center -- 47.0 FTE positions ......................... 5,565,400
3  W.J. Maxey Training School .................................. 250,000
4  GROSS APPROPRIATION ........................................... $ 24,395,900
5  Appropriated from:
6  Federal revenues:
7  Capped federal revenues .......................................... 8,330,600
8  Special revenue funds:
9  Local funds -- state share education funds ................ 1,339,000
10 Local funds -- county chargeback .......................... 5,037,000
11 State general fund/general purpose ..................... $ 9,689,300
12 **Sec. 107. PUBLIC ASSISTANCE**
13  Full-time equated classified positions .............. 8.0
14  Emergency services local office allocations .......... $ 9,357,500
15  Family independence program ................................. 76,658,100
16  Food assistance program benefits ....................... 2,348,117,400
17  Food Bank Council of Michigan .............................. 2,045,000
18  Indigent burial ..................................................... 4,375,000
19  Low-income home energy assistance program .......... 181,718,400
20  Michigan corner store initiative ......................... 100
21  Michigan energy assistance program -- 1.0 FTE position . 50,000,000
22  Multicultural integration funding ....................... 13,303,800
23  Refugee assistance program -- 7.0 FTE positions .... 27,993,400
24  State disability assistance payments .................. 11,422,400
25  State supplementation .......................................... 61,696,700
26  State supplementation administration .................. 2,381,100
27  GROSS APPROPRIATION ......................................... $ 2,789,068,900
Appropriated from:

Federal revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Social security act, temporary assistance for needy families</td>
<td>51,086,200</td>
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<tr>
<td>Capped federal revenues</td>
<td>203,129,500</td>
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<td>Total other federal revenues</td>
<td>2,342,627,400</td>
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Special revenue funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Child support collections</td>
<td>10,979,000</td>
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<tr>
<td>Supplemental security income recoveries</td>
<td>5,057,600</td>
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<tr>
<td>Public assistance recoupment revenue</td>
<td>6,290,000</td>
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<tr>
<td>Low-income energy assistance fund</td>
<td>50,000,000</td>
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<tr>
<td>State general fund/general purpose</td>
<td>119,899,200</td>
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Sec. 108. FIELD OPERATIONS AND SUPPORT SERVICES

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<th>Description</th>
<th>Amount</th>
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<tr>
<td>Full-time equated classified positions</td>
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<tr>
<td>Administrative support workers--221.0 FTE positions</td>
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<td>Adult services field staff--472.0 FTE positions</td>
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<td>Contractual services, supplies, and materials</td>
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<td>Donated funds positions--288.0 FTE positions</td>
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<td>Elder Law of Michigan MiCAFE contract</td>
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<tr>
<td>Electronic benefit transfer (EBT)</td>
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<td>Employment and training support services</td>
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<td>Field policy and administration--66.0 FTE positions</td>
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<tr>
<td>Field staff travel</td>
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<td>Independent living</td>
<td>4,531,600</td>
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<td>Medical/psychiatric evaluations</td>
<td>1,420,100</td>
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<td>Michigan rehabilitation services--526.0 FTE positions</td>
<td>128,750,800</td>
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<tr>
<td>Nutrition education--2.0 FTE positions</td>
<td>33,045,300</td>
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</tbody>
</table>
Public assistance field staff--4,704.5 FTE positions . 478,474,200
Training and program support--20.0 FTE positions ...... 2,448,000
Volunteer services and reimbursement .................... 942,400
GROSS APPROPRIATION .................................. $ 794,615,600
Appropriated from:
Interdepartmental grant revenues:
IDG from department of corrections ....................... 116,000
IDG from department of education ......................... 7,769,500
Federal revenues:
Social security act, temporary assistance for needy families.......................... 67,495,500
Capped federal revenues ....................................... 152,849,600
Federal supplemental security income ...................... 8,588,600
Total other federal revenues .............................. 257,233,000
Special revenue funds:
Local funds - donated funds ................................. 5,783,500
Local vocational rehabilitation match ..................... 5,300,000
Private funds - donated funds ............................... 9,600,500
Private funds - gifts, bequests, and donations ......... 531,500
Rehabilitation service fees ................................. 40,000
Second injury fund ..................... $ 38,300
State general fund/general purpose ......................... 279,269,600

**Sec. 109. DISABILITY DETERMINATION SERVICES**

Full-time equated classified positions .......... 587.4
Disability determination operations--583.3 FTE positions ...................... $ 112,005,400
Retirement disability determination--4.1 FTE positions 608,500
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<tr>
<th>Section</th>
<th>Description</th>
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<td>Sec. 110</td>
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<td>AND SPECIAL PROJECTS</td>
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<td>Full-time equated classified positions</td>
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<td>Behavioral health program administration--77.0 FTE</td>
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<td>Federal and other special projects</td>
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<td>Gambling addiction--1.0 FTE position</td>
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<td>Office of recipient rights--19.0 FTE positions</td>
<td>2,721,900</td>
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<td>Protection and advocacy services support</td>
<td>194,400</td>
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<td>GROSS APPROPRIATION</td>
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<td>State general fund/general purpose</td>
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<td>Sec. 111</td>
<td>Behavioral Health Services</td>
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<td>Autism services</td>
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<td>Children with serious emotional disturbance waiver</td>
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<td>Children's waiver home care program</td>
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<td>Civil service charges</td>
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<td>Community mental health non-Medicaid services</td>
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<tr>
<td>Community substance use disorder prevention, education, and treatment</td>
<td>77,075,000</td>
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<td>Federal mental health block grant--2.5 FTE positions</td>
<td>15,457,300</td>
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<td>Health homes</td>
<td>3,369,000</td>
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<td>Healthy Michigan plan - behavioral health</td>
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<td>Medicaid mental health services</td>
<td>2,316,344,700</td>
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<tr>
<td>Medicaid substance use disorder services</td>
<td>50,369,600</td>
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<tr>
<td>Nursing home PAS/ARR-OBRA--7.0 FTE positions</td>
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<tr>
<td>State disability assistance program substance use disorder services</td>
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<td>GROSS APPROPRIATION</td>
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<td>Total other federal revenues</td>
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<td>Special revenue funds</td>
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<tr>
<td>Total local revenues</td>
<td>25,475,800</td>
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<td>Total other state restricted revenues</td>
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<tr>
<td>State general fund/general purpose</td>
<td>$977,537,500</td>
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**Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

- Total average population: 770.0
- Full-time equated classified positions: 2,256.9
- Caro Regional Mental Health Center - psychiatric
hospital - adult--467.8 FTE positions.............. $58,565,600
Average population................................. 145.0
Center for forensic psychiatry--607.3 FTE positions.. $82,823,400
Average population................................. 240.0
Gifts and bequests for patient living and treatment
environment........................................... 1,000,000
Hawthorn Center - psychiatric hospital - children and
adolescents--277.4 FTE positions.................... $30,638,600
Average population................................. 55.0
IDEA, federal special education....................... 120,000
Kalamazoo Psychiatric Hospital - adult--474.1 FTE
positions............................................... $67,273,500
Average population................................. 170.0
Purchase of medical services for residents of
hospitals and centers.................................. 445,600
Revenue recapture...................................... 750,000
Special maintenance................................... 924,600
Walter P. Reuther Psychiatric Hospital - adult--430.3
FTE positions.......................................... $58,601,500
Average population................................. 160.0
GROSS APPROPRIATION................................ $301,142,800
Appropriated from:
Federal revenues:
Total other federal revenues......................... 36,784,000
Special revenue funds:
Total local revenues................................. 20,000,500
Total private revenues.............................. 1,000,000
Total other state restricted revenues .................. 19,376,600
State general fund/general purpose .................... $ 223,981,700

Sec. 113. HEALTH POLICY

Full-time equated classified positions ............ 42.9
Certificate of need program administration--12.3 FTE
positions.................................................. $ 2,825,300
Health policy administration--25.2 FTE positions ..... 13,065,200
Human trafficking intervention services ............ 200,000
Michigan essential health provider ................ 3,591,300
Minority health grants and contracts ............... 612,700
Nurse education and research program--3.0 FTE
positions.................................................. 784,400
Primary care services--1.4 FTE positions .......... 5,068,700
Rural health services--1.0 FTE position ............ 1,555,500
GROSS APPROPRIATION .................................. $ 27,703,100

Appropriated from:
Interdepartmental grant revenues:
IDG from the department of licensing and regulatory
affairs......................................................... 784,400
IDG from the department of treasury, Michigan state
hospital finance authority............................. 117,700
Federal revenues:
Social security act, temporary assistance for needy
families....................................................... 30,400
Capped federal revenues ................................ 18,700
Total other federal revenues ......................... 16,851,200
Special revenue funds:
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<th>Description</th>
<th>Amount</th>
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<td>Total other state restricted revenues</td>
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<td>3</td>
<td>State general fund/general purpose</td>
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<td><strong>Sec. 114. LABORATORY SERVICES</strong></td>
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<td>5</td>
<td>Full-time equated classified positions</td>
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<td>Laboratory services--100.0 FTE positions</td>
<td>$20,812,100</td>
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<td><strong>GROSS APPROPRIATION</strong></td>
<td>$20,812,100</td>
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<td>Interdepartmental grant revenues:</td>
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<td>10</td>
<td>IDG from the department of environmental quality</td>
<td>991,000</td>
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<td><strong>Sec. 115. DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY</strong></td>
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<td>Childhood lead program--4.5 FTE positions</td>
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<td>Epidemiology administration--75.1 FTE positions</td>
<td>20,594,400</td>
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<td>Healthy homes program--12.0 FTE positions</td>
<td>27,740,400</td>
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<td>Immunization program--12.8 FTE positions</td>
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<td>22</td>
<td>Newborn screening follow-up and treatment services--</td>
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<td>23</td>
<td>10.5 FTE positions</td>
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<td><strong>GROSS APPROPRIATION</strong></td>
<td>$74,697,200</td>
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<td>26</td>
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<td>Total other state restricted revenues</td>
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<td>State general fund/general purpose</td>
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<td><strong>Sec. 116. LOCAL HEALTH AND ADMINISTRATIVE SERVICES</strong></td>
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<td>Full-time equated classified positions</td>
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<td>AIDS prevention, testing, and care programs--37.7 FTE positions</td>
<td>70,623,800</td>
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<td>Cancer prevention and control program--13.0 FTE positions</td>
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<td>8</td>
<td>Chronic disease control and health promotion</td>
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<td>9</td>
<td>- administration--27.4 FTE positions</td>
<td>8,461,300</td>
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<td>10</td>
<td>Dental programs--3.8 FTE positions</td>
<td>2,203,500</td>
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<td>11</td>
<td>Diabetes and kidney program--8.0 FTE positions</td>
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<td>12</td>
<td>Essential local public health services</td>
<td>40,886,100</td>
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<td>13</td>
<td>Health and wellness initiatives--11.7 FTE positions</td>
<td>7,139,100</td>
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<td>14</td>
<td>Implementation of 1993 PA 133, MCL 333.17015</td>
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<td>Injury control intervention project</td>
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<td>16</td>
<td>Local health services--1.3 FTE positions</td>
<td>1,955,100</td>
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<td>17</td>
<td>Medicaid outreach cost reimbursement to local health departments</td>
<td>12,500,000</td>
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<td>18</td>
<td>Public health administration--9.0 FTE positions</td>
<td>1,945,400</td>
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<td>19</td>
<td>Sexually transmitted disease control program--20.0 FTE positions</td>
<td>6,295,000</td>
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<td>20</td>
<td>Smoking prevention program--12.0 FTE positions</td>
<td>2,148,300</td>
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<td>21</td>
<td>Violence prevention--2.9 FTE positions</td>
<td>3,124,100</td>
</tr>
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</table>
Vital records and health statistics—81.4 FTE positions.............................. 10,049,700

GROSS APPROPRIATION........................................ $ 186,467,100

Appropriated from:

Federal revenues:
Capped federal revenues ........................................ 81,100
Total other federal revenues ................................. 79,856,800

Special revenue funds:
Total local revenues .................................................. 5,150,000
Total private revenues ............................................... 39,279,600
Total other state restricted revenues .............. 18,672,700
State general fund/general purpose ................ $ 43,426,900

Sec. 117. FAMILY, MATERNAL, AND CHILD HEALTH

Full-time equated classified positions ............ 112.3

Family, maternal, and child health administration—
53.3 FTE positions................................. $ 9,103,600

Family planning local agreements ......................... 8,310,700
Local MCH services ............................................. 7,018,100
Pregnancy prevention program .................. 602,100
Prenatal care outreach and service delivery support—
14.0 FTE positions.............................................. 19,328,800
Special projects ...................................................... 6,289,100
Sudden and unexpected infant death and suffocation
prevention program.............................................. 321,300
Women, infants, and children program administration
and special projects—45.0 FTE positions .............. 18,045,000

Women, infants, and children program local agreements
1. and food costs .......................................................... 256,285,000
2. GROSS APPROPRIATION .................................................. $ 325,303,700
3. Appropriated from:
4. Federal revenues:
5. Social security act, temporary assistance for needy families ........................................ 400,000
6. Total other federal revenues .............................................. 252,926,000
7. Special revenue funds:
8. Total local revenues .................................................... 75,000
9. Total private revenues ................................................... 61,702,400
10. Total other state restricted revenues ................................. 595,900
11. State general fund/general purpose ................................. $ 9,604,400
12. **Sec. 118. EMERGENCY MEDICAL SERVICES, TRAUMA, AND PREPAREDNESS**
13. Full-time equated classified positions .......... 76.0
14. Bioterrorism preparedness--53.0 FTE positions .... $ 30,398,600
15. Emergency medical services program--23.0 FTE positions $ 6,591,600
16. GROSS APPROPRIATION .............................................. $ 36,990,200
17. Appropriated from:
18. Federal revenues:
19. Total other federal revenues ......................................... 31,366,100
20. Special revenue funds:
21. Total other state restricted revenues ....................... 4,020,500
22. State general fund/general purpose ............................... $ 1,603,600
23. **Sec. 119. CHILDREN'S SPECIAL HEALTH CARE SERVICES**
24. Full-time equated classified positions ........... 46.8
25. Bequests for care and services--2.8 FTE positions .... $ 1,535,300
<table>
<thead>
<tr>
<th>Children's special health care services</th>
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<tr>
<td>administration--44.0 FTE positions</td>
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<tr>
<td>Medical care and treatment</td>
<td>247,241,600</td>
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<td>Nonemergency medical transportation</td>
<td>905,900</td>
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<td>Outreach and advocacy</td>
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<td>GROSS APPROPRIATION</td>
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<td>Special revenue funds:</td>
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<td>Total other state restricted revenues</td>
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<td>State general fund/general purpose</td>
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<td>Sec. 120.  AGING AND ADULT SERVICES AGENCY</td>
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<td>Full-time equated classified positions</td>
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<td>Aging and adult services administration--48.0 FTE</td>
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<td>positions</td>
<td>$9,394,700</td>
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<td>Community services</td>
<td>42,514,000</td>
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<td>Employment assistance</td>
<td>3,500,000</td>
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<tr>
<td>Nutrition services</td>
<td>41,494,000</td>
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<td>Respite care program</td>
<td>6,468,700</td>
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<tr>
<td>Senior volunteer service programs</td>
<td>4,465,300</td>
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<td>GROSS APPROPRIATION</td>
<td>$107,836,700</td>
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<td>Appropriated from:</td>
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<td>Federal revenues:</td>
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<td>Capped federal revenues</td>
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<td>Total other federal revenues</td>
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Sec. 121. MEDICAL SERVICES ADMINISTRATION

Full-time equated classified positions .......... 460.0
Electronic health record incentive program--24.0 FTE
positions........................................ $ 144,328,000
Healthy Michigan plan administration--30.0 FTE
positions........................................ 47,720,000
Medical services administration--384.5 FTE positions . 82,310,400
Technology supporting integrated service--21.5 FTE
positions........................................ 29,014,400
GROSS APPROPRIATION................................. $ 303,372,800

Appropriated from:
Federal revenues:
Social security act, temporary assistance for needy
families........................................ 749,600
Capped federal revenues ................................ 910,700
Total other federal revenues ......................... 254,031,900
Special revenue funds:
Total local revenues ................................ 107,300
Total private revenues ................................ 101,300
Total other state restricted revenues .............. 336,300
State general fund/general purpose ................. $ 47,135,700

Sec. 122. MEDICAL SERVICES
<table>
<thead>
<tr>
<th>Service</th>
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<tr>
<td>Adult home help services</td>
<td>$323,217,200</td>
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<tr>
<td>Ambulance services</td>
<td>18,376,100</td>
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<tr>
<td>Auxiliary medical services</td>
<td>5,500,000</td>
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<tr>
<td>Dental clinic program</td>
<td>1,000,000</td>
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<tr>
<td>Dental services</td>
<td>305,881,800</td>
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<tr>
<td>Federal Medicare pharmaceutical program</td>
<td>290,548,800</td>
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<tr>
<td>Health plan services</td>
<td>4,992,803,500</td>
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<td>Healthy Michigan plan</td>
<td>3,745,414,000</td>
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<tr>
<td>Home health services</td>
<td>4,700,000</td>
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<tr>
<td>Hospice services</td>
<td>113,466,100</td>
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<tr>
<td>Hospital disproportionate share payments</td>
<td>40,500,000</td>
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<tr>
<td>Hospital services and therapy</td>
<td>789,175,400</td>
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<td>Integrated care organizations</td>
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<td>Long-term care services</td>
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<tr>
<td>Maternal and child health</td>
<td>20,279,500</td>
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<td>Medicaid home- and community-based services waiver</td>
<td>328,662,200</td>
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<td>Medicare premium payments</td>
<td>537,393,200</td>
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<td>Personal care services</td>
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<td>Pharmaceutical services</td>
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<td>Physician services</td>
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<td>School-based services</td>
<td>109,937,200</td>
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<td>Special Medicaid reimbursement</td>
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<td>Transportation</td>
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<td><strong>GROSS APPROPRIATION</strong></td>
<td><strong>$14,754,015,200</strong></td>
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Appropriated from:

Federal revenues:
Total other federal revenues ........................................ 10,690,472,300

Special revenue funds:
Total local revenues ................................................. 34,090,800
Total private revenues .............................................. 2,100,000
Michigan merit award trust fund .................................. 45,000,000
Total other state restricted revenues ............................. 2,184,525,900
State general fund/general purpose ............................... $ 1,797,826,200

Sec. 123. INFORMATION TECHNOLOGY
Child support automation ........................................... $ 41,877,600
Information technology services and projects ................. 158,851,200
Michigan Medicaid information system .......................... 55,634,400
GROSS APPROPRIATION ........................................... $ 256,363,200

Appropriated from:
Interdepartmental grant revenues:
IDG from department of education .............................. 1,067,000
Federal revenues:
Social security act, temporary assistance for needy families ........................................ 23,935,900
Capped federal revenues ............................................ 21,848,800
Total other federal revenues ...................................... 109,683,700
Special revenue funds:
Total private revenues ............................................. 25,000,000
Total other state restricted revenues ........................... 1,985,800
State general fund/general purpose .............................. $ 72,842,000

Sec. 124. ONE-TIME BASIS ONLY APPROPRIATIONS
Full-time equated classified positions ....................... 4.5
Autism navigator ...................................................... $ 565,000
Child lead poisoning elimination board .............. 500,000
Dental clinic program ........................................ 1,000,000
Direct primary care pilot program ....................... 5,724,000
Drinking water declaration of emergency--4.5 FTE positions ............................................. 13,361,700
Food Bank Council of Michigan .......................... 184,000
University autism programs ................................. 500,000
Primary care and dental health services ............... 300,000
GROSS APPROPRIATION ...................................... $ 22,134,700

Appropriated from:
Federal revenues:
Social security act, temporary assistance for needy families .......................................................... 3,500,000
Total other federal revenues ............................... 3,708,000
Special revenue funds:
Total other state restricted revenues ................... 8,861,700
State general fund/general purpose ...................... $ 6,065,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

GENERAL SECTIONS
Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2017-2018 is $6,783,884,100.00 and state spending from state resources to be paid to local units of
government for fiscal year 2017-2018 is $1,361,256,600.00. The
itemized statement below identifies appropriations from which
spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMMUNITY SERVICES AND OUTREACH

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<th>Item</th>
<th>Amount</th>
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<td>Crime victim rights services grants</td>
<td>$7,216,000</td>
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<td>Housing and support services</td>
<td>637,300</td>
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CHILDREN'S SERVICES AGENCY - CHILD WELFARE

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<tr>
<td>Child care fund</td>
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PUBLIC ASSISTANCE

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<td>Family independence program</td>
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<tr>
<td>Multicultural integration funding</td>
<td>5,478,200</td>
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<tr>
<td>State disability assistance payments</td>
<td>742,600</td>
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BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

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<th>Item</th>
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<tr>
<td>Behavioral health program administration</td>
<td>$3,132,000</td>
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BEHAVIORAL HEALTH SERVICES

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<th>Item</th>
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<td>Autism services</td>
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<tr>
<td>Children with serious emotional disturbance waiver</td>
<td>3,522,000</td>
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<tr>
<td>Children's waiver home care program</td>
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<tr>
<td>Community mental health non-Medicaid services</td>
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<tr>
<td>Community substance use disorder prevention,</td>
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<tr>
<td>education, and treatment</td>
<td>14,553,400</td>
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<tr>
<td>Health homes</td>
<td>70,700</td>
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<tr>
<td>Healthy Michigan plan - behavioral health</td>
<td>15,257,000</td>
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<tr>
<td>Medicaid mental health services</td>
<td>781,860,700</td>
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<tr>
<td>Medicaid substance use disorder services</td>
<td>17,505,600</td>
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<td>Nursing home PAS/ARR-OBRA</td>
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<tr>
<td>State disability assistance program substance use</td>
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<tr>
<td>HEALTH POLICY</td>
<td>Primary care services</td>
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<td>LABORATORY SERVICES</td>
<td>Laboratory services</td>
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<tr>
<td>DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY</td>
<td>Childhood lead program</td>
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<tr>
<td></td>
<td>Epidemiology administration</td>
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<tr>
<td></td>
<td>Immunization program</td>
</tr>
<tr>
<td>LOCAL HEALTH AND ADMINISTRATIVE SERVICES</td>
<td>AIDS prevention, testing, and care programs</td>
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<tr>
<td></td>
<td>Essential local public health services</td>
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<td></td>
<td>Health and wellness initiatives</td>
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<tr>
<td></td>
<td>Public health administration</td>
</tr>
<tr>
<td></td>
<td>Sexually transmitted disease control program</td>
</tr>
<tr>
<td>FAMILY, MATERNAL, AND CHILD HEALTH</td>
<td>Family, maternal, and child health administration</td>
</tr>
<tr>
<td></td>
<td>Prenatal care outreach and service delivery support</td>
</tr>
<tr>
<td>CHILDREN'S SPECIAL HEALTH CARE SERVICES</td>
<td>Medical care and treatment</td>
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<tr>
<td></td>
<td>Outreach and advocacy</td>
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<tr>
<td>AGING AND ADULT SERVICES AGENCY</td>
<td>Community services</td>
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<td></td>
<td>Nutrition services</td>
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<tr>
<td></td>
<td>Respite care program</td>
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<tr>
<td></td>
<td>Senior volunteer service programs</td>
</tr>
</tbody>
</table>
MEDICAL SERVICES

Dental services ................................................................. $ 2,141,200
Hospital services and therapy ............................................. 1,575,500
Long-term care services .................................................... 102,419,500
Physician services ............................................................. 8,926,800
Transportation ................................................................. 53,200

TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT ...... $ 1,361,256,600

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

Sec. 203. As used in this part and part 1:
(a) "AIDS" means acquired immunodeficiency syndrome.

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

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

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

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

(f) "DSH" means disproportionate share hospital.

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

(h) "Federal poverty level" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.
(i) "FTE" means full-time equated.

(j) "GME" means graduate medical education.

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

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

(m) "HMO" means health maintenance organization.

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

(o) "IDG" means interdepartmental grant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 204. Unless otherwise specified, the departments and
agencies receiving appropriations in part 1 shall use the internet
to fulfill the reporting requirements of this part and part 1. This requirement shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement, and it shall include placement of reports on the internet.

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

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

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be
submitted to the senate and house appropriations committees, the
house and senate fiscal agencies, and the state budget director.
The report shall include the following information:
   (a) The dates of each travel occurrence.
   (b) The transportation and related costs of each travel
occurrence, including the proportion funded with state general
fund/general purpose revenues, the proportion funded with state
restricted revenues, the proportion funded with federal revenues,
and the proportion funded with other revenues.

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

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

Sec. 210. (1) In addition to the funds appropriated in part 1,
there is appropriated an amount not to exceed $400,000,000.00 for
federal contingency funds. These funds are not available for
expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. These funds shall not be made available to increase TANF authorization.

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

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

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

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

(a) Fiscal year-to-date expenditures by category.
(b) Fiscal year-to-date expenditures by appropriation unit.
(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
(d) The number of active department employees by job classification.
(e) Job specifications and wage rates.

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

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

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

Sec. 215. If either of the following events occur, within 30
days the department shall notify the state budget director, the
chairs of the house and senate subcommittees on the department
budget, and the house and senate fiscal agencies and policy offices
of that fact:

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

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

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

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

Sec. 217. (1) On or before February 1 of the current fiscal
year, the department shall report to the house and senate
appropriations subcommittees on the department budget, the house
and senate fiscal agencies, and the state budget director on the
detailed name and amounts of estimated federal, restricted,
private, and local sources of revenue that support the
appropriations in each of the line items in part 1.

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

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

(a) Immunizations.
(b) Communicable disease control.
(c) Sexually transmitted disease control.
(d) Tuberculosis control.
(e) Prevention of gonorrhea eye infection in newborns.
(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.
(g) Health and human services annex of the Michigan emergency management plan.
(h) Prenatal care.

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

(a) A detailed description of each funded project.
(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.
(c) The expected project duration.
(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

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

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

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

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

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

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures. When collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, within 30 days the department shall notify the chairs of the house and
senate subcommittees on the department budget, the house and senate
fiscal agencies and policy offices, and the state budget director
of that fact.

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

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

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

Sec. 226. If the revenue collected by the department from fees
and collections exceeds the amount appropriated in part 1, the
revenue may be carried forward with the approval of the state
budget director into the subsequent fiscal year. The revenue
carried forward under this section shall be used as the first
source of funds in the subsequent fiscal year.

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

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

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

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

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

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

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

(i) Direct services to recipients.

(ii) Administrative expenditures.

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

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

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

(iii) Average TANF spending per recipient.

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

(2) Not later than March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office an annual report on the following matters itemized by Michigan Works! agency: the number of referrals to Michigan Works! job readiness programs, the number of referrals to Michigan Works! job readiness programs who became a participant in the Michigan Works! job readiness programs, the number of participants who
obtained employment, and the cost per participant case.

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

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

Sec. 263. (1) Except as otherwise provided in this subsection, before submission of a waiver, a state plan amendment, or a similar proposal to the Centers for Medicare and Medicaid Services or other federal agency, the department shall provide written notification of the planned submission to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget office. This subsection does not apply to the submission of a waiver, a state
plan amendment, or similar proposal that does not propose a
material change or is outside of the ordinary course of waiver,
state plan amendment, or similar proposed submissions.

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

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

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

(a) The total amount recovered from the legal action.
(b) The program or service for which the money was originally expended.

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

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

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

(a) TANF.

(b) Title XX social services block grant.

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

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

(e) Low-income home energy assistance program.
(2) It is the intent of the legislature that the department, in collaboration with the state budget office, not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included as part of the budget submitted to the legislature by the governor for the ensuing fiscal year, unless there is a reasonable expectation for increased federal funding to be available to the department from that capped revenue source in the ensuing fiscal year.

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

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

Sec. 279. (1) All master contracts relating to human services as funded by the appropriations in sections 103, 104, 105, 106, 107, 108, and 109 of part 1 shall be performance-based contracts that employ a client-centered results-oriented process that is
based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. 

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

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

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

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

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

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

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

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

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

(a) Each contractor or subcontractor shall have accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.
(b) Each contractor or subcontractor shall have a mission that is consistent with the purpose of the multicultural agency.

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

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

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

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

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

Sec. 298. (1) For the items described in subsections (2) and (3), the department shall demonstrate both the successes and weaknesses of altering the behavioral health services delivery system. In evaluating the successes and weaknesses, the department
shall consider all of the following, including, but not limited to, improvement of the coordination between behavioral health and physical health, improvement of services available to individuals with mental illnesses, intellectual or developmental disabilities, or substance use disorders, benefits associated with whole person centered planning, benefits associated with full access to community-based services and supports, and financial efficiencies.

Any and all realized benefits and cost savings of altering the behavioral health system shall be reinvested in services and supports for individuals having or at risk of having mental illness, intellectual or developmental disability, or substance use disorder.

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

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

(4) By March 15 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on
progress, a time frame for implementation, and any identified barriers to implementation of the items described in subsections (2) and (3). In addition, the report shall also include information on policy changes and any other efforts made to improve the coordination of supports and services for individuals having or at risk of having mental illness, an intellectual or developmental disability, substance use disorder, or physical health needs.

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

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

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

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

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

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

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

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

CHILD SUPPORT ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

COMMUNITY SERVICES AND OUTREACH

Sec. 450. (1) From the funds appropriated in part 1 for school success partnership program, the department shall allocate $525,000.00 by December 1 of the current fiscal year to support the Northeast Michigan Community Service Agency programming, which will take place in each county in the Governor's Prosperity Region 3. The department shall require the following performance objectives be measured and reported for the duration of the state funding for the school success partnership program:
(a) Increasing school attendance and decreasing chronic absenteeism.
(b) Increasing academic performance based on grades with emphasis on math and reading.
(c) Identifying barriers to attendance and success and connecting families with resources to reduce these barriers.
(d) Increasing parent involvement with the parent's child's school and community.

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

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

Sec. 453. From the funds appropriated in part 1 for homeless programs, the department shall increase emergency shelter program per diem rates to $16.00 per bed night to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. The purpose of this
enhancement is to increase the number of shelter discharges to stable housing destinations, decrease recidivism rates for shelter clients, and reduce the average length of stay in emergency shelters.

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

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

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

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

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

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

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

(2) The department shall continue to develop a prospective rate payment system for private agencies that includes funding for adoption incentive payments. The full cost prospective rate payment system will identify and cover contractual costs paid through the case rate developed by an independent actuary.
(3) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations committees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office a report on the full cost analysis of the performance-based funding model. The report shall include background information on the project and give details about the contractual costs covered through the case rate.

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

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

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

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

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

(3) By March 1 of the current fiscal year, the consortium shall provide to the department and the house and senate appropriations subcommittees on the department budget a report on the consortium, including, but not limited to, actual expenditures,
administrative expenses, number of children placed by agencies in
the consortium, fund balance of the consortium, and the status of
the consortium evaluation.

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

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

Sec. 508. (1) In addition to the amount appropriated in part 1
for children's trust fund grants, money granted or money received
as gifts or donations to the children's trust fund created by 1982
PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.
(2) The department and the child abuse and neglect prevention
board shall collaborate to ensure that administrative delays are
avoided and the local grant recipients and direct service providers
receive money in an expeditious manner. The department and board
shall make available the children's trust fund contract funds to
grantees within 31 days of the start date of the funded project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Gaps in funding.

(c) Program successes.

(d) Challenges and barriers to a successful implementation.

Sec. 519. The department shall permit any private agency that has an existing contract with this state to provide foster care services to be also eligible to provide treatment foster care services.
Sec. 523. (1) By February 15 of the current fiscal year, the department shall report on the families first, family reunification, and families together building solutions family preservation programs to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office. The report shall provide an estimate of total costs savings as a result of avoiding placement of children in foster care for families who received family preservation services and shall include information for each program on any innovations that may increase savings or reductions in administrative costs.

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

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

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

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

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

Sec. 532. The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the
senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

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

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

Sec. 537. (1) The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.
(2) By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a report on the strategy described in subsection (1).

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

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

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

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

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

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

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

(2) The Adoptive Family Support Network shall submit to the
senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, the senate and house
policy offices, and the state budget office by March 1 of the
current fiscal year a report on the program described in subsection
(1), including, but not limited to, the number of cases served and
the number of cases in which the program prevented an out-of-home
placement.
Sec. 562. The department shall provide time and travel reimbursements for foster parents who transport a foster child to parent-child visitations. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request these reimbursements for all parent-child visitations. The department shall provide these reimbursements within 60 days of receiving a request for eligible reimbursements from a foster parent.

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

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

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

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

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

Sec. 574. (1) From the funds appropriated in part 1 for foster care payments, $2,500,000.00 is allocated to support performance-
based contracts with child placing agencies to facilitate the
licensure of relative caregivers as foster parents. Agencies shall
receive $2,300.00 for each facilitated licensure if completed
within 180 days after a child's placement or, if a waiver was
previously approved, 180 days from the application date. If the
facilitated licensure, or approved waiver, is completed after 180
days, the agency shall receive up to $2,300.00. The agency
facilitating the licensure would retain the placement and continue
to provide case management services for at least 50% of the newly
licensed cases for which the placement was appropriate to the
agency. Up to 50% of the newly licensed cases would have direct
foster care services provided by the department.

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

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

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

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

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

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

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

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

Sec. 594. From the funds appropriated in part 1 for foster care payments, the department shall support regional resource teams
to provide for the recruitment, retention, and training of foster
and adoptive parents and shall expand the Michigan youth
opportunities initiative to all Michigan counties. The purpose of
this investment is to increase the number of annual inquiries from
prospective foster parents, increase the number of nonrelative
foster homes that achieve licensure each year, increase the annual
retention rate of nonrelative foster homes, reduce the number of
older foster youth placed outside of family settings, and provide
older youth with enhanced support in transitioning to adulthood.

PUBLIC ASSISTANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.
Sec. 610. (1) In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

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

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

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

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

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

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

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

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

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

(d) The infant burial allowance is $170.00.

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

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

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

Sec. 616. The department shall require retailers that participate in the electronic benefits transfer program to charge no more than $2.50 in fees for cash back as a condition of participation.
Sec. 619. (1) Subject to subsection (2), the department shall exempt from the denial of title IV-A assistance and food assistance benefits under 21 USC 862a any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, if the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

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

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

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

(2) The department shall report on a quarterly basis to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on the
average Medicaid eligibility standard of promptness for each of the
required standards of promptness under subsection (1) and for
medical review team reviews achieved statewide and at each local
office.

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

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

Sec. 651. (1) From the funds appropriated in part 1, the
department shall allocate up to $1,500,000.00 to Michigan State
University (MSU) Extension for the Michigan corner store
initiative. Funds provided for the Michigan corner store initiative
shall be used to provide grants to small food retailers to increase
the availability and sales of fresh and nutritious food in low- and
moderate-income areas of the state. In determining qualified
projects to fund, the MSU Extension shall consider the level of
need in the area to be served. The MSU Extension shall report
annually to the department on the projects funded, the geographic
distribution of the projects, the costs of the program, and the
outcomes, including the number and type of jobs created and health
impacts associated with the program. The department shall provide
the annual report described in this section to the house and senate
appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices. To qualify, grant applicants must do all of the following:

(a) Be a small food retailer.

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

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

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

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

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

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

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

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

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

(d) Mini-grants to retailers of no more than $100.00 per retailer to meet initial expenses incurred with participation in
the program.

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

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

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

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

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

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

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

Sec. 660. From the funds appropriated in part 1 for Food Bank Council of Michigan, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section is not an ongoing commitment of funding.
Sec. 669. The department shall allocate $7,170,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children in a family independence program group.

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

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

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

(2) On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of cases referred to Partnership. Accountability. Training. Hope. (PATH), the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the current percentage of the family independence program cases that meet federal work participation requirements for those cases referred to PATH.

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

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

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

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

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.
(2) The department shall require caseworkers to confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

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

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

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

(a) The number of applications received.
(b) The number of applications approved.
(c) The number of applications denied.
(d) The number of applications pending and neither approved nor denied.
(e) The number of cases opened.
(f) The number of cases closed.
(g) The number of cases at the beginning of the quarter and the number of cases at the end of the quarter.

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

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

(a) The number of new applicants who successfully met the requirements of the 21-day assessment period for PATH.
(b) The number of new applicants who did not meet the requirements of the 21-day assessment period for PATH.
(c) The number of cases sanctioned because of the school truancy policy.
(d) The number of cases closed because of the 48-month and 60-month lifetime limits.
(e) The number of first-, second-, and third-time sanctions.
(f) The number of children ages 0-5 living in FIP-sanctioned households.

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

CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE

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

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

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

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

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

Sec. 721. If the demand for placements at state-operated juvenile justice residential facilities exceeds capacity, the department shall not increase the available occupancy or services
at the facilities, and shall post a request for proposals for a contract with not less than 1 private provider of residential services for juvenile justice youth to be a residential facility of last resort.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 801. (1) Funds appropriated in part 1 for independent living shall be used to support the general operations of centers for independent living in delivering mandated independent living services in compliance with federal rules and regulations for the centers, by existing centers for independent living to serve underserved areas, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds shall be reviewed in accordance with criteria and procedures established by the department. The funds appropriated in part 1 may be used to leverage federal vocational rehabilitation innovation and expansion funds consistent with 34 CFR 361.35 up to $5,543,000.00, if available. If the possibility of matching federal funds exists, the centers for independent living network will negotiate a mutually beneficial contractual arrangement with Michigan rehabilitation services. Funds shall be used in a manner consistent with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services,
veterans, and stigma reduction activities and community education. This includes the independent living guide project that specifically focuses on economic self-sufficiency.

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

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

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

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

(b) Service delivery plans and implementation steps achieved.

(c) Reorganization plans and implementation steps achieved.

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

(e) Quarterly expenditures by major spending category.
(f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.

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

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

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

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

Sec. 807. From the funds appropriated in part 1 for Elder Law of Michigan MiCAFE contract, the department shall allocate not less
than $350,000.00 to the Elder Law of Michigan MiCAFE to assist this state's elderly population in participating in the food assistance program. Of the $350,000.00 allocated under this section, the department shall use $175,000.00, which are general fund/general purpose funds, as state matching funds for not less than $175,000.00 in United States Department of Agriculture funding to provide outreach program activities, such as eligibility screening and information services, as part of a statewide food assistance hotline.

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

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

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

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

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

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

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

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

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

Sec. 851. From the funds appropriated in part 1 for adult services field staff, the department shall improve staffing ratios
in adult protective services programs with the goal of reducing the
number of older adults who are victims of crime and fraud. The
purpose of the staffing enhancement is to increase standard of
promptness by 90% or above in every county, as measured by
commencing an investigation within 24 hours, establishing face-to-
face contact with the client within 72 hours, and completing the
investigation within 30 days.

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

BEHAVIORAL HEALTH SERVICES

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

Sec. 902. (1) From funds appropriated in part 1, final
authorizations to CMHSPs or PIHPs shall be made upon the execution
of contracts between the department and CMHSPs or PIHPs. The
contracts shall contain an approved plan and budget as well as
policies and procedures governing the obligations and
responsibilities of both parties to the contracts. Each contract
with a CMHSP or PIHP that the department is authorized to enter
into under this subsection shall include a provision that the
contract is not valid unless the total dollar obligation for all of
the contracts between the department and the CMHSPs or PIHPs
entered into under this subsection for the current fiscal year does
not exceed the amount of money appropriated in part 1 for the
contracts authorized under this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

(g) Data describing service outcomes that include, but are not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.
(h) Information about access to CMHSPs that includes, but is not limited to, the following:

(i) The number of people receiving requested services.

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

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

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

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

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

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

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

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

(2) Outcomes and performance measures for this initiative include, but are not limited to, the following:
(a) The rate of rehospitalization for youth served through the program at 30 and 180 days.
(b) Measured change in the Child and Adolescent Functional Assessment Scale for children served through the program.

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

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

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

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

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

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

Sec. 910. The department shall ensure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department who are required to obtain
substance use disorder treatment as a condition of eligibility for public assistance.

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

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

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

Sec. 918. On or before the twenty-fifth of each month, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal
agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

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

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

(2) It is the intent of the legislature that any funds that lapse from the funds appropriated in part 1 for Medicaid mental health services shall be redistributed to individual CMHSPs as a reimbursement of local funds on a proportional basis to those CMHSPs whose local funds were used as state Medicaid match. By April 1 of the current fiscal year, the department shall report to
the senate and house appropriations subcommittees on the department
budget, the senate and house fiscal agencies, the senate and house
policy offices, and the state budget office on the lapse by PIHP
from the previous fiscal year and the projected lapse by PIHP in
the current fiscal year.

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

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

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

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

(2) A CMHSP that has its funding allocation transferred out or
withdrawn during the current fiscal year as described in subsection (1) is not eligible for any additional funding reallocations during the remainder of the current fiscal year, unless that CMHSP is responding to a public health emergency as determined by the department.

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

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

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

Sec. 994. (1) By January 1 of the current fiscal year, the department shall seek federal approval through either a waiver request or state plan amendment to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a
national accrediting entity for behavioral health care services to be considered in compliance with state program review and audit requirements that are addressed and reviewed by that national accrediting entity.

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

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

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

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

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

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

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

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations, the Commission on
Accreditation of Rehabilitation Facilities, the Council on Accreditation, the URAC, formerly known as the Utilization Review Accreditation Commission, the National Committee for Quality Assurance, or another appropriate entity, as approved by the department.

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

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

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

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

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

Sec. 1008. The PIHP and CMHSPs shall do all of the following:
(a) Work to reduce administration costs by ensuring that PIHP responsible functions are efficient to allow optimal transition of dollars to direct services. This process must include limiting duplicate layers of administration and minimizing PIHP-delegated services that may result in higher costs or inconsistent service delivery, or both.

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

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

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

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

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

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

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

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

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

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

(e) An estimate of the costs that may be incurred from
adoption of recommendations included in the report.
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

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

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

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

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in the facility. A discharge and aftercare plan shall address the individual's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the individual's housing needs.
(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees on the department budget and the state budget director.

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

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

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

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or
more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating savings through the outsourcing of such services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The data aggregator must receive health care claims
information from, without limitation, commercial health carriers, nonprofit health care corporations, health maintenance organizations, and third party administrators that process claims under a service contract.

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

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

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

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

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

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

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

(iii) Obtain an unrestricted license to engage in the practice of osteopathic medicine and surgery or an unrestricted license to engage in the practice of medicine in this state.
(c) A participating physician shall enter into a contract to work with an employer for no less than 2 years in a federally underserved rural or urban area in this state, beginning the year following completion of 1 year of post-graduate education.

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

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

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

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

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

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

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

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

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

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

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

(d) The tentative completion date of the work project is
DISEASE CONTROL, PREVENTION, AND EPIDEMIOLOGY

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

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

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

September 30, 2022.
healthy homes program, no less than $1,750,000.00 of general
fund/general purpose funds and $25,230,000.00 of federal funds
shall be allocated for lead abatement of homes.

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

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

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

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

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

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

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

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

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

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

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

Sec. 1226. From the funds appropriated in part 1 for health and wellness initiatives, $1,000,000.00 shall be allocated for a school children's healthy exercise program to promote and advance physical health for school children in kindergarten through grade 8. The department shall recommend model programs for sites to implement that incorporate evidence-based best practices. The department shall grant no less than 1/2 of the funds appropriated in part 1 for before- and after-school programs. The department shall establish guidelines for program sites, which may include
schools, community-based organizations, private facilities, recreation centers, or other similar sites. The program format shall encourage local determination of site activities and shall encourage local inclusion of youth in the decision-making regarding site activities. Program goals shall include children experiencing improved physical health and access to physical activity opportunities, the reduction of obesity, providing a safe place to play and exercise, and nutrition education. To be eligible to participate, program sites shall provide a 20% match to the state funding, which may be provided in full, or in part, by a corporation, foundation, or private partner. The department shall seek financial support from corporate, foundation, or other private partners for the program or for individual program sites.

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

Sec. 1228. From the funds appropriated in part 1 for injury control intervention project, $1,000,000.00 shall be allocated for implementation of evidence-based, real-time, quality assurance decision support software in the treatment of pediatric traumatic brain injury and for protocols that are to be available to all
hospitals providing those trauma services. The funds shall be used
to purchase statewide licenses for pediatric traumatic brain injury
treatment software and related software services and to offset
hospital software integration costs. The department shall seek
federal matching funds that may be available for implementation of
this section.

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

FAMILY, MATERNAL, AND CHILD HEALTH

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

(a) Funding allocations.

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

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

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

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

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

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

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

Sec. 1307. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, $400,000.00 of TANF revenue shall be allocated for a pregnancy and parenting support services program, which program must promote childbirth, alternatives to abortion, and grief counseling. The department shall establish a program with a qualified contractor that will contract with qualified service providers to provide free counseling, support, and referral services to eligible women during pregnancy through 12 months after birth. As appropriate, the goals for client outcomes shall include an increase in client support, an increase in childbirth choice, an increase in adoption knowledge, an improvement in parenting skills, and improved reproductive health through abstinence education. The contractor of the program shall provide for program training, client educational material, program marketing, and annual service provider site monitoring. The department shall submit a report to the house and senate
appropriations subcommittees on the department budget and the house
and senate fiscal agencies by April 1 of the current fiscal year on
the number of clients served.

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

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

Sec. 1310. The department shall continue to work jointly with
the Michigan state housing development authority and the joint task
force established under article IV of 2014 PA 252 to review housing
rehabilitation, energy and weatherization, and hazard abatement
program policies and to make recommendations for integrating and
coordinating project delivery with the goals of serving more
families and achieving better outcomes by maximizing state and
federal resources. The joint task force may provide recommendations
to the department. Recommendations of the joint task force must
give consideration to best practices and cost effectiveness.
Sec. 1311. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, equal consideration shall be given to all eligible evidence-based providers in all regions in contracting for rural home visitation services.

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

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

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

(a) Supporting access to care.
(b) Reducing and eliminating barriers to care.
(c) Supporting recommendations for best practices.
(d) Encouraging optimal prenatal habits such as prenatal medical visits, use of prenatal vitamins, and cessation of use of tobacco, alcohol, or drugs.
(e) Tracking of birth outcomes to study improvements in prevalence of fetal drug addiction, fetal alcohol syndrome, and other preventable neonatal disease.
(f) Tracking of maternal increase in healthy behaviors following childbirth.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

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

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

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

(d) Provide human growth hormone to eligible patients.

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

AGING AND ADULT SERVICES AGENCY

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

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

(a) The recipient's degree of frailty.

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

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

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

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

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

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

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

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

Sec. 1422. (1) From the funds appropriated in part 1 for aging
and adult services administration, not less than $300,000.00 shall
be allocated for the department to contract with the Prosecuting
Attorneys Association of Michigan to provide the support and
services necessary to increase the capability of the state's
prosecutors, adult protective service system, and criminal justice
system to effectively identify, investigate, and prosecute elder
abuse and financial exploitation.

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

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

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

MEDICAL SERVICES ADMINISTRATION

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

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

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

(c) The estimated cost of this project phase is identified in the appropriation line item.
(d) The tentative completion date for the work project is September 30, 2021.

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

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

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

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

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

Sec. 1506. The department shall submit to the senate and house appropriations subcommittees on the department budget, the senate
and house fiscal agencies, the senate and house policy offices, and
the state budget office a quarterly report on the implementation
status of the public assistance call center that includes all of
the following information:
(a) Call volume during the prior quarter.
(b) Percentage of calls resolved through the public assistance
call center.
(c) Percentage of calls transferred to a local department
office or other office for resolution.
(d) Number of Medicaid applications completed by the public
assistance call center staff and submitted on behalf of clients.

Sec. 1507. (1) From the funds appropriated in part 1 for
technology supporting integrated service delivery, the department
shall establish new information technology tools and enhance
existing systems to improve the eligibility and enrollment process
for citizens accessing department administered programs. This
information technology system will consolidate beneficiary
information, support department caseworker efforts in building a
success plan for beneficiaries, and better support department staff
in supporting enrollees in assistance programs.
(2) Outcomes and performance measures for the initiative under
subsection (1) include, but are not limited to, the following:
(a) Successful consolidation of data warehouses maintained by
the department.
(b) The amount of time a department caseworker devotes to data
entry when initiating an enrollee application.
(c) A reduction in wait times for persons enrolled in
assistance programs to speak with department staff and get
necessary changes made.

(d) A reduction in department caseworker workload.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1621. The department shall report to the house and senate
appropriations subcommittees on the department budget, the house
and senate fiscal agencies, and the state budget office on
strategies the department is using to minimize the state cost of specialty drugs. Also, the department may take additional measures in order to further reduce state costs, while also ensuring that appropriate clinical care is being utilized. The report shall also include information on savings generated as a result of these additional measures that may include additional cost sharing, step therapy, and prior authorization.

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

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

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

(a) Two dollars for a physician office visit.
(b) Three dollars for a hospital emergency room visit.
(c) Fifty dollars for the first day of an inpatient hospital stay.
(d) One dollar for an outpatient hospital visit.

(3) Except as otherwise prohibited by federal or state law or regulation, the department shall require Medicaid recipients...
enrolled in the Healthy Michigan plan with an income of at least 100% of the federal poverty level to pay the following co-payments:

(a) Four dollars for a physician office visit.
(b) Eight dollars for a hospital emergency room visit.
(c) One hundred dollars for the first day of an inpatient hospital stay.
(d) Four dollars for an outpatient hospital visit or any other medical provider visit to the extent allowed by federal or state law or regulation.

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

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

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

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

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

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

Sec. 1659. The following sections of this part are the only
ones that shall apply to the following Medicaid managed care
programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance use disorder, and developmentally disabled services program: 904, 911, 918, 920, 928, 942, 994, 1008, 1009, 1607, 1657, 1662, 1699, 1700, 1702, 1764, 1809, 1810, 1850, 1875, 1882, and 1888.

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

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

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

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

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

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

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

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

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

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

(d) Dental services as outlined in the approved MIChild state plan.

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

(f) Care management services for mental health diagnoses.

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

(h) Emergency ambulance services.

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) GME.

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

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

(2) By May 1 of the current fiscal year, the department shall
report to the senate and house appropriations subcommittees on the
department budget, the senate and house fiscal agencies, and the
state budget office on the projected distribution of funding, and
the projected net benefit if the special hospital payment is not
financed with general fund/general purpose revenue, to each
eligible hospital from the following special hospital payments:
(a) DSH, separated out by unique DSH pool.
(b) GME.
(c) Special rural hospital payments provided under section
1866.
(d) Lump-sum payments to rural hospitals for obstetrical care
provided under section 1802.
Sec. 1702. From the funds appropriated in part 1, the
department shall maintain the 15% rate increase provided during the
fiscal year ending September 30, 2017 for private duty nursing
services for Medicaid beneficiaries under the age of 21. These
additional funds must be used to attract and retain highly
qualified registered nurses and licensed practical nurses to
provide private duty nursing services so that medically frail
children can be cared for in the most homelike setting possible.
Sec. 1724. The department shall allow licensed pharmacies to
purchase injectable drugs for the treatment of respiratory
syncytial virus for shipment to physicians' offices to be
administered to specific patients. If the affected patients are
Medicaid eligible, the department shall reimburse pharmacies for
the dispensing of the injectable drugs and reimburse physicians for
the administration of the injectable drugs.
Sec. 1730. The department shall continue to maintain enhanced
assessment tools established in collaboration with the department of education that promote literacy development of pregnant women and new mothers in the maternal infant health program. When possible, the department shall include new fathers of the infants in the literacy promotion efforts that are included in the assessment tools and in the subsequent services provided. The assessment tools shall expand the assessment of maternal and parental literacy and provide support and referrals to resources to enable program participants to achieve an increase in literacy that may contribute to improvements in family health, economic, and life outcomes.

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

Sec. 1764. The department shall annually certify whether rates paid to Medicaid health plans and specialty PIHPs are actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval of rates paid to Medicaid health plans and specialty PIHPs within 5 business days after certification or approval to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office. When calculating the annual actuarial soundness adjustment, the department shall take into account all Medicaid policy bulletins affecting Medicaid health plans or specialty PIHPs issued after the most recent actuarial soundness process concluded.
Sec. 1775. (1) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on progress in implementing the waiver to implement managed care for individuals who are eligible for both Medicare and Medicaid, known as MI Health Link, including, but not limited to, a description of how the department intends to ensure that service delivery is integrated, how key components of the proposal are implemented effectively, and any problems and potential solutions as identified by the ombudsman described in subsection (2).

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

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

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

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

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

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

(a) A list of medical specialties and licensed providers that were paid enhanced primary care rates in the fiscal year ending
(b) Information on the geographic distribution of specialists who received enhanced rates in the fiscal year ending September 30, 2016.

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

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

Sec. 1805. Hospitals receiving medical services payments for graduate medical education shall submit fully completed quality data to a nonprofit organization with extensive experience in collecting and reporting hospital quality data on a public website. The reporting must utilize consensus-based nationally endorsed standards that meet National Quality Forum-endorsed safe practices. The organization collecting the data must be an organization that uses severity-adjusted risk models and measures that will help patients and payers identify hospital campuses likely to have
superior outcomes. The public website shall provide information to allow consumers to compare safe practices by hospital campus, including, but not limited to, perinatal care, hospital-acquired infection, and serious reportable events. Hospitals receiving medical services payments for graduate medical education shall also make their fully completed quality data available on the hospital's website. The department shall withhold 25% of a hospital's graduate medical education payment if the hospital does not submit the data to a qualifying nonprofit organization described in this section by July 1 of the current fiscal year.

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

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

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

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

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

Sec. 1809. The department shall establish separate contract performance standards for Medicaid health plans that adhere to the
requirements of section 105d of the social welfare act, 1939 PA 280, MCL 400.105d, associated with the 0.75% and 0.25% capitation withhold. The determination of the performance of the 0.75% capitation withhold is at the discretion of the department but must include recognized concepts such as 1-year continuous enrollment and the HEDIS audited data. The determination of the performance of the 0.25% capitation withhold is at the discretion of the department but must include the utilization of high-value services and discouraging the utilization of low-value services.

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

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

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients
in medically underserved areas.

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

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

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

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

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

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

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

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

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

Sec. 1867. (1) The department shall convene a workgroup that includes psychiatrists, other relevant prescribers, and pharmacists to identify best practices and to develop a protocol for psychotropic medications. Any changes proposed by the workgroup shall protect a Medicaid beneficiary's current psychotropic
pharmaceutical treatment regimen by not requiring a physician currently prescribing any treatment to alter or adjust that treatment.

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

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

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

(2) The department shall establish a workgroup that consists
of the independent waiver agents, the medical services administration, and PACE providers, to address PACE program issues as identified within the state contract with PACE providers. The workgroup shall, at a minimum, address the following concerns:

(a) Timely eligibility processing.
(b) Barriers to new enrollment.
(c) Future expansion criteria.

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

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

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

(3) As used in this section, "prior authorization" means a process implemented by the department or its contractual agents
that conditions, delays, or denies delivery or particular pharmacy services to Medicaid beneficiaries upon application of predetermined criteria by the department or its contractual agents to those pharmacy services. The process of prior authorization often requires that a prescriber do 1 or both of the following:

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

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

Sec. 1877. By March 1 of the current fiscal year, the department shall evaluate and report to the house and senate appropriations subcommittees on the department budget on how the Healthy Michigan plan has contributed to assisting individuals in utilizing high-value services, minimized the use of low-value services, and how individuals' lives may be improving as a result of their access to services provided through the Healthy Michigan plan.

Sec. 1878. Not later than March 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office on hepatitis C tracking data. At a minimum, the report shall include information on the following for individuals treated with Harvoni or any other treatment used to
cure hepatitis C during the current fiscal year or a previous fiscal year:

(a) The total number of people treated broken down by those treated through traditional Medicaid and those treated through the Healthy Michigan plan.

(b) The total cost of treatment.

(c) The total cost of treatment broken down by those treated through traditional Medicaid and those treated through the Healthy Michigan plan.

(d) The cure rate broken down by Metavir Score, genotype, Medicaid match rate, and drug used during treatment.

(e) The reinfection rate broken down by Metavir Score, genotype, Medicaid match rate, and drug used during treatment.

Sec. 1882. By December 31 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office, documentation of the expenses incurred during the immediate preceding fiscal year by Medicaid health plans and PIHPs for the purpose of meeting their contractual requirements to join the Michigan Health Information Network Shared Services and incentivizing providers to become members of the Health Information Exchange Qualified Organization. The report should also include an estimation of the expenses to be incurred in the current fiscal year by Medicaid health plans and PIHPs for the same purpose of meeting their contractual obligations.

Sec. 1888. The department shall establish contract performance
standards associated with the capitation withhold provisions for Medicaid health plans in advance of the implementation of those standards. The determination of whether performance standards have been met shall be based primarily on recognized concepts such as 1-year continuous enrollment and the healthcare effectiveness data and information set, HEDIS, audited data.

Sec. 1890. From the funds appropriated in part 1 for pharmaceutical services, the department shall ensure Medicaid recipients' access to breast pumps to support and encourage breastfeeding. The department shall adjust Medicaid policy to, at a minimum, provide an individual double electric style pump to a breastfeeding mother when a physician prescribes such a device based on diagnosis of mother or infant. If the distribution method for pumps or other equipment is a department contract with durable medical equipment providers, the department shall guarantee providers stock and rent to Medicaid recipients without delay or undue restriction.

Sec. 1894. (1) By July 1 of the current fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on outcomes and performance measures of the Healthy Kids Dental program.

(2) Outcomes and performance measures for the Healthy Kids Dental program include, but are not limited to, the following:

(a) The number of children enrolled in the Healthy Kids Dental program who visited the dentist during the previous fiscal year.

(b) The number of dentists who will accept payment from the
Healthy Kids Dental program.
(c) The annual change in dental utilization of children enrolled in the Healthy Kids Dental program.

Sec. 1899. (1) The funds appropriated in part 1 for hospice services shall be expended to provide room and board for Medicaid beneficiaries who meet hospice eligibility requirements and receive services at Medicaid-enrolled hospice residences in this state. The qualifying hospice residences must have been licensed as a hospice residence as of October 1, 2014. These funds shall be distributed on a per-bed basis divided equally among the hospice residence beds that apply for the funds. These funds shall be paid on a lump-sum quarterly basis.

(2) The qualifying hospice residences that receive funds under this section shall provide a report to the department by September 15 of the current fiscal year that includes the number of individuals served, number of days served, and cost of serving those individuals.

(3) If the funds appropriated in this section do not cover the need, the qualifying hospice residences shall report to the department the number of individuals who did not receive care. If the funds appropriated in this section are more than the cost to cover the need, the qualifying hospice residences shall return the funds to the state.

INFORMATION TECHNOLOGY

Sec. 1901. (1) By December 1 of the current fiscal year, the department shall report to the senate and house appropriations
subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office all of the following information:

(a) The process used to define requests for proposals for each expansion of information technology projects, including timelines, project milestones, and intended outcomes.

(b) If the department decides not to contract the services out to design and implement each element of the information technology expansion, the department shall submit its own project plan, which includes, at a minimum, the requirements in subdivision (a).

(c) A recommended project management plan with milestones and time frames.

(d) The proposed benefits from implementing the information technology expansion, including customer service improvement, form reductions, potential time savings, caseload reduction, and return on investment.

(2) Once an award for an expansion of information technology is made, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office a projected cost of the expansion broken down by use and type of expense.

Sec. 1902. From the funds appropriated in part 1 for the Michigan Medicaid information system (MMIS) line item, private revenue may be received from and allocated for other states interested in participating as part of the broader MMIS initiative. By March 1 of the current fiscal year, the department shall provide
a report on the use of MMIS by other states for the previous fiscal year, including a list of states, type of use, and revenue and expenditures related to the agreements with the other states to use the MMIS. The report shall be provided to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

Sec. 1903. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year an implementation plan regarding the appropriation in part 1 to implement the MiSACWIS. The plan shall include, but not be limited to, efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office by November 1 of the current fiscal year a status report on the planning, implementation, and operation, regardless of the current operational status, regarding the appropriation in part 1 to implement the MiSACWIS. The report shall provide details on the planning, implementation, and operation of the system, including, but not limited to, all of the following:

(a) Areas where implementation went as planned.

(b) The number of known issues.
(c) The average number of help tickets submitted per day.
(d) Any additional overtime or other staffing costs to address known issues and volume of help tickets.
(e) Any contract revisions to address known issues and volume of help tickets.
(f) Other strategies undertaken to improve implementation.
(g) Progress developing cross-system trusted data exchange with MiSACWIS.
(h) Progress in moving away from a statewide/tribal automated child welfare information system (SACWIS/TACWIS) to a comprehensive child welfare information system (CCWIS).
(i) Progress developing and implementing a program to monitor data quality.
(j) Progress developing and implementing custom integrated systems for private agencies and tribal governments.

**ONE-TIME BASIS ONLY APPROPRIATIONS**

Sec. 1905. From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate funds to address needs in a city in which a declaration of emergency was issued because of drinking water contamination. These funds may support, but are not limited to, the following activities:

(a) Nutrition assistance, nutritional and community education, food bank resources, and food inspections.
(b) Epidemiological analysis and case management of individuals at risk of elevated blood lead levels.
(c) Support for child and adolescent health centers, children's healthcare access program, and pathways to potential programming.

(d) Nursing services, breastfeeding education, evidence-based home visiting programs, intensive services, and outreach for children exposed to lead coordinated through local community mental health organizations.

(e) Department field operations costs.

(f) Lead poisoning surveillance, treatment, and lead abatement.

Sec. 1906. (1) From the funds appropriated in part 1 for university autism programs, the department shall continue a grant process for autism programs. These grants are intended to increase the number of applied behavioral analysts, increase the number of autism diagnostic services provided, or increase employment of individuals who are diagnosed with autism spectrum disorder.

(2) As a condition of accepting the grants described in subsection (1), each university shall track and report back to the department where the individuals who have completed the applied behavioral analysis training are initially employed and the location of the initial employment.

(3) Outcomes and performance measures related to this initiative include, but are not limited to, the following:

(a) An increase in applied behavioral analysts certified from university autism programs.

(b) The number of autism diagnostic services provided.

(c) The employment rate of employment program participants.
(d) The employment rate of applied behavioral analysts trained through the university autism programs.

Sec. 1907. From the funds appropriated in part 1 for child lead poisoning elimination board, the department shall implement recommendations of the board offered in the board's report of November 2016. The recommendations implemented by the department under this section shall be based in science and best practices, and the department shall give priority to the implementation of the recommendations that are most in agreement with recommendations of nationally recognized organizations and authorities.

Sec. 1913. (1) The department shall apply to the Centers for Medicare and Medicaid Services for a waiver to allow the department to contract directly with direct primary care providers for Medicaid services. After the department receives a response from the Centers for Medicare and Medicaid Services regarding the waiver, the department shall do 1 of the following:

(a) If the Centers for Medicare and Medicaid Services approves the waiver, from the funds appropriated in part 1 for direct primary care pilot program, the department shall expend $710,000.00 general fund/general purpose plus associated federal match for this program as part of a work project to fund the program for a 3-year period.

(b) If the Centers for Medicare and Medicaid Services does not approve the waiver, from the funds appropriated in part 1 for direct primary care pilot program, the department shall expend $2,016,000.00 general fund/general purpose to fund a direct primary care pilot program for a 1-year period.
The department shall implement a direct primary care pilot program for Medicaid recipients in Wayne, Oakland, Kent, Genesee, and Livingston Counties that shall run from October 1, 2017 to September 30, 2018. The pilot program shall include 400 recipients from each of the following Medicaid eligibility categories:

(a) Childless adults.
(b) Children ages 0-6 years.
(c) Children ages 7-18 years.
(d) Parents.
(e) Elderly individuals.
(f) Disabled individuals.

For the purposes of the pilot program, each recipient shall be enrolled in a single, eligible direct primary care service provider plan. The department shall maintain and publicly share a list of eligible direct primary care service providers with potential pilot program enrollees.

An eligible direct primary care service provider must meet the following requirements:

(a) The direct primary care service provider must be a licensed physician in a primary care specialty.
(b) The monthly direct primary care enrollment fee shall not exceed a weighted average of $70.00 per month across all eligibility categories. The average shall be weighted by the population makeup of the pilot program.
(c) The direct primary care service provider must not accept any third-party payments for health care services, other than retainer fees from the managed care provider with which they have
contracted.

(d) The direct primary care service provider must only provide primary care services.

(e) The direct primary care service provider plan must include, but is not limited to, access to telemedicine, and same or next business day appointments.

(5) Managed care organizations contracted by the state to provide Medicaid services within the county where the pilot program enrollee lives shall authorize direct primary care service providers participating in the pilot program to serve as "gateway" service providers able to refer pilot program enrollees to nonprimary care services within the managed care organization's provider network. The managed care provider is not liable for increased costs resulting from implementation of the pilot program.

(6) The department shall have access to the patient records of each enrollee in the pilot program for the sole purpose of aggregate data collection.

(7) On a quarterly basis, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the implementation of the direct primary care pilot program. The report shall include, but is not limited to, the following performance metrics:

(a) The number of enrollees in the pilot program by eligibility category.

(b) The per member per month rate paid in the current fiscal year per eligibility category.
(c) The number of claims paid in the current fiscal year per eligibility category.

(d) The number of claims per category weighted to reflect 400 enrollees.

(e) The dollar value of all claims per eligibility category.

(f) The per member per month actual cost, which is the direct primary care service provider plan costs and any managed care costs not covered through the direct primary care service provider plan, including managed care provider overhead costs.

(g) The average direct primary care cost per enrollee per eligibility category.

(h) The average number of actual claims per eligibility category.

(i) The average actual dollar value of claims per eligibility category.

(j) The number of enrollees in the pilot program during the previous quarter who are no longer eligible for Medicaid in the current quarter, broken down by eligibility category.

(k) The category savings subtotal, which is the per member per month rate paid in the current fiscal year minus the per member per month actual cost, multiplied by the number of enrollees in the eligibility category.

(l) The total savings, which is the per member per month rate paid in the current fiscal year minus the per member per month actual cost, multiplied by the total number of enrollees in the pilot program.

(8) Unexpended and unencumbered funds up to a maximum of
$2,016,000.00 general fund/general purpose revenue plus any associated federal match remaining in accounts appropriated in part 1 for direct primary care pilot program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for the direct primary care pilot program for Medicaid recipients in Wayne, Oakland, Kent, Genesee, and Livingston Counties under this section until the work projects have been completed. All of the following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the pilot program is to fund the cost of a direct primary care pilot program as provided by this section.

(b) The project will be accomplished by contracting with a managed care organization under contract with the department to provide Medicaid services.

(c) The total estimated cost of the project is $2,016,000.00 of general fund/general purpose revenue plus any associated federal match.

(d) The tentative completion date is September 30, 2020.

(9) The department may take out a stop-loss policy to mitigate the potential cost impact if pilot program per member per month costs exceed per member per month costs for the program the enrollee would have been in had he or she not participated in the pilot program. The cost of the stop-loss policy shall not be used in the assessment of the success of the pilot program.
care and dental health services, $300,000.00 shall be allocated for primary care clinic and dental health clinic services for indigent individuals to be provided in clinic locations in the city of Detroit and Wayne County by a public nonprofit organization that is pursuing certification as a federally qualified health center and is expected to be certified within 2 years.