

**SUBSTITUTE FOR
SENATE BILL NO. 763**

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8
9

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of community health for the fiscal year ending September 30, 2015, from the following funds:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	3,645.1

1	Average population	893.0	
2	GROSS APPROPRIATION.....		\$ 17,492,901,800
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers		9,425,900
6	ADJUSTED GROSS APPROPRIATION.....		\$ 17,483,475,900
7	Federal revenues:		
8	Total federal revenues.....		12,023,300,100
9	Social security act, temporary assistance for needy		
10	families		22,830,400
11	Special revenue funds:		
12	Total local revenues.....		216,656,400
13	Total private revenues.....		127,056,600
14	Merit award trust fund.....		68,334,700
15	Total other state restricted revenues.....		1,966,328,700
16	State general fund/general purpose.....		\$ 3,058,969,000
17	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
18	Full-time equated unclassified positions.....	6.0	
19	Full-time equated classified positions.....	190.7	
20	Director and other unclassified--6.0 FTE positions ...		\$ 724,700
21	Departmental administration and management--180.7		
22	FTE positions		27,088,800
23	Worker's compensation program.....		5,000,500
24	Rent and building occupancy.....		10,268,900
25	Developmental disabilities council and		
26	projects--10.0 FTE positions		<u>3,042,200</u>
27	GROSS APPROPRIATION.....		\$ 46,125,100

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	15,472,900
4	Special revenue funds:	
5	Total private revenues.....	35,200
6	Total other state restricted revenues.....	829,800
7	State general fund/general purpose.....	\$ 29,787,200
8	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
9	AND SPECIAL PROJECTS	
10	Full-time equated classified positions.....	100.0
11	Behavioral health program administration--99.0 FTE	
12	positions	\$ 19,835,800
13	Gambling addiction--1.0 FTE position.....	3,003,900
14	Protection and advocacy services support	194,400
15	Community residential and support services	592,100
16	Federal and other special projects	2,839,200
17	Family support subsidy.....	18,149,900
18	Housing and support services	<u>13,238,800</u>
19	GROSS APPROPRIATION.....	\$ 57,854,100
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues.....	21,218,700
23	Social security act, temporary assistance for needy	
24	families	18,330,400
25	Special revenue funds:	
26	Total private revenues.....	200,000
27	Total other state restricted revenues.....	3,003,900

1	State general fund/general purpose	\$	15,101,100
2	Sec. 104. BEHAVIORAL HEALTH SERVICES		
3	Full-time equated classified positions.....	9.5	
4	Medicaid mental health services	\$	2,206,980,700
5	Community mental health non-Medicaid services		101,871,700
6	Mental health services for special populations		8,842,900
7	Medicaid substance use disorder services		43,115,300
8	CMHSP, purchase of state services contracts		139,465,600
9	Civil service charges		1,499,300
10	Federal mental health block grant--2.5 FTE positions .		15,445,500
11	State disability assistance program substance use		
12	disorder services		2,018,800
13	Community substance use disorder prevention,		
14	education, and treatment		73,811,800
15	Children's waiver home care program		21,544,900
16	Nursing home PAS/ARR-OBRA--7.0 FTE positions		12,260,600
17	Children with serious emotional disturbance waiver ...		12,647,900
18	Health homes		900,000
19	Healthy Michigan plan - behavioral health		<u>260,200,000</u>
20	GROSS APPROPRIATION	\$	2,900,605,000
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	Interdepartmental grant from the department of human		
24	services		6,351,500
25	Federal revenues:		
26	Total federal revenues		1,845,236,000
27	Special revenue funds:		

1	Total local revenues.....	25,228,900
2	Total other state restricted revenues.....	22,506,200
3	State general fund/general purpose.....	\$ 1,001,282,400
4	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
5	MENTAL HEALTH SERVICES	
6	Total average population	893.0
7	Full-time equated classified positions.....	2,130.9
8	Caro Regional Mental Health Center - psychiatric	
9	hospital - adult--461.3 FTE positions.....	\$ 56,257,100
10	Average population	185.0
11	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
12	positions	64,409,100
13	Average population	189.0
14	Walter P. Reuther Psychiatric Hospital -	
15	adult--420.8 FTE positions	55,919,900
16	Average population	234.0
17	Hawthorn Center - psychiatric hospital - children	
18	and adolescents--226.4 FTE positions.....	28,778,000
19	Average population	75.0
20	Center for forensic psychiatry--556.3 FTE positions..	72,695,200
21	Average population	210.0
22	Revenue recapture.....	750,000
23	IDEA, federal special education.....	120,000
24	Special maintenance.....	332,500
25	Purchase of medical services for residents of	
26	hospitals and centers	445,600
27	Gifts and bequests for patient living and treatment	

1	environment	<u>1,000,000</u>
2	GROSS APPROPRIATION.....	\$ 280,707,400
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	34,724,400
6	Special revenue funds:	
7	CMHSP, purchase of state services contracts	139,465,600
8	Other local revenues.....	19,493,800
9	Total private revenues.....	1,000,000
10	Total other state restricted revenues.....	18,871,300
11	State general fund/general purpose.....	\$ 67,152,300
12	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
13	Full-time equated classified positions.....	100.4
14	Public health administration--7.3 FTE positions	\$ 1,574,000
15	Health and wellness initiatives--11.7 FTE positions ..	8,950,100
16	Vital records and health statistics--81.4 FTE	
17	positions	<u>11,483,500</u>
18	GROSS APPROPRIATION.....	\$ 22,007,600
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of human	
22	services	1,208,200
23	Federal revenues:	
24	Total federal revenues.....	3,657,000
25	Special revenue funds:	
26	Total other state restricted revenues.....	12,053,900
27	State general fund/general purpose.....	\$ 5,088,500

Senate Bill No. 763 as amended May 6, 2014

1 **Sec. 107. HEALTH POLICY**

2	Full-time equated classified positions.....	64.8	
3	Certificate of need program administration--12.3 FTE		
4	positions		\$ 2,785,200
5	Emergency medical services program--23.0 FTE positions		6,421,800
6	Health innovation grants.....		1,500,000
7	Health policy administration--24.1 FTE positions		3,112,700
8	Michigan essential health provider.....		3,591,300
9	Minority health grants and contracts.....		612,700
10	Nurse education and research program--3.0 FTE		
11	positions		774,400
12	Primary care services--1.4 FTE positions.....		4,067,900
13	Rural health services--1.0 FTE position.....		1,555,500
14	<<Statewide trauma system.....>>		100>>
	GROSS APPROPRIATION.....		\$ <<24,421,600>>

15 Appropriated from:

16 Interdepartmental grant revenues:

17	Interdepartmental grant from the department of	
18	licensing and regulatory affairs.....	774,400
19	Interdepartmental grant from the department of	
20	treasury, Michigan state hospital finance authority.	116,200

21 Federal revenues:

22	Total federal revenues.....	7,994,500
----	-----------------------------	-----------

23 Special revenue funds:

24	Total private revenues.....	865,000
25	Total other state restricted revenues.....	6,565,700
26	State general fund/general purpose.....	\$ <<8,105,800>>

27 **Sec. 108. LABORATORY SERVICES**

1	Full-time equated classified positions.....	100.0	
2	Laboratory services--100.0 FTE positions		\$ <u>19,043,200</u>
3	GROSS APPROPRIATION.....		\$ 19,043,200
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	Interdepartmental grant from the department of		
7	environmental quality		975,600
8	Federal revenues:		
9	Total federal revenues.....		2,298,100
10	Special revenue funds:		
11	Total other state restricted revenues		8,993,900
12	State general fund/general purpose		\$ 6,775,600
13	Sec. 109. EPIDEMIOLOGY AND INFECTIOUS DISEASE		
14	Full-time equated classified positions.....	144.9	
15	AIDS surveillance and prevention program.....		\$ 1,854,100
16	Bioterrorism preparedness--52.0 FTE positions		30,094,200
17	Epidemiology administration--41.6 FTE positions		11,845,700
18	Healthy homes program--8.0 FTE positions		3,886,300
19	Immunization program--12.8 FTE positions		15,022,300
20	Newborn screening follow-up and treatment		
21	services--10.5 FTE positions		6,748,800
22	Sexually transmitted disease control program--20.0		
23	FTE positions		6,252,900
24	Tuberculosis control and prevention.....		<u>867,000</u>
25	GROSS APPROPRIATION.....		\$ 76,571,300
26	Appropriated from:		
27	Federal revenues:		

1	Total federal revenues.....	58,971,700
2	Special revenue funds:	
3	Total private revenues.....	338,800
4	Total other state restricted revenues.....	11,110,500
5	State general fund/general purpose.....	\$ 6,150,300
6	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
7	Full-time equated classified positions..... 2.0	
8	Essential local public health services.....	\$ 39,386,200
9	Implementation of 1993 PA 133, MCL 333.17015.....	20,000
10	Local health services--2.0 FTE positions.....	537,300
11	Medicaid outreach cost reimbursement to local health	
12	departments	<u>9,000,000</u>
13	GROSS APPROPRIATION.....	\$ 48,943,500
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	9,537,300
17	Special revenue funds:	
18	Total local revenues.....	5,150,000
19	State general fund/general purpose.....	\$ 34,256,200
20	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND	
21	HEALTH PROMOTION	
22	Full-time equated classified positions..... 96.0	
23	AIDS prevention, testing, and care programs--31.7	
24	FTE positions	\$ 70,427,500
25	Cancer prevention and control program--12.0 FTE	
26	positions	15,009,000
27	Chronic disease control and health promotion	

1	administration--29.4 FTE positions.....	4,140,000
2	Diabetes and kidney program--8.0 FTE positions	1,893,300
3	Injury control intervention project	1,350,000
4	Smoking prevention program--12.0 FTE positions	2,111,100
5	Violence prevention--2.9 FTE positions	<u>1,824,000</u>
6	GROSS APPROPRIATION.....	\$ 96,754,900
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues	49,169,800
10	Special revenue funds:	
11	Total private revenues	38,778,400
12	Total other state restricted revenues	5,535,000
13	State general fund/general purpose	\$ 3,271,700
14	Sec. 112. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
15	SERVICES	
16	Full-time equated classified positions.....	65.6
17	Childhood lead program--2.5 FTE positions	\$ 1,236,200
18	Dental programs--3.0 FTE positions	1,647,600
19	Dental program for persons with developmental	
20	disabilities	151,000
21	Family, maternal, and children's health services	
22	administration--46.1 FTE positions.....	7,817,800
23	Family planning local agreements	8,310,700
24	Local MCH services	7,018,100
25	Pregnancy prevention program	602,100
26	Prenatal care outreach and service delivery	
27	support--14.0 FTE positions	21,335,800

1	Special projects.....	7,083,100
2	Sudden infant death syndrome program.....	<u>321,300</u>
3	GROSS APPROPRIATION.....	\$ 55,523,700
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	41,805,000
7	Social security act, temporary assistance for needy	
8	families	2,500,000
9	Special revenue funds:	
10	Total local revenues.....	75,000
11	Total private revenues.....	874,500
12	State general fund/general purpose.....	\$ 10,269,200
13	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND	
14	NUTRITION PROGRAM	
15	Full-time equated classified positions..... 45.0	
16	Women, infants, and children program administration	
17	and special projects--45.0 FTE positions.....	\$ 17,923,200
18	Women, infants, and children program local	
19	agreements and food costs	<u>256,285,000</u>
20	GROSS APPROPRIATION.....	\$ 274,208,200
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	213,130,300
24	Special revenue funds:	
25	Total private revenues.....	61,077,900
26	State general fund/general purpose.....	\$ 0
27	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	

1	Full-time equated classified positions.....	46.8	
2	Children's special health care services		
3	administration--44.0 FTE positions.....	\$	5,582,100
4	Bequests for care and services--2.8 FTE positions		1,528,800
5	Outreach and advocacy.....		5,510,000
6	Non-emergency medical transportation.....		1,505,900
7	Medical care and treatment.....		<u>187,931,700</u>
8	GROSS APPROPRIATION.....	\$	202,058,500
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues.....		106,258,400
12	Special revenue funds:		
13	Total private revenues.....		1,009,300
14	Total other state restricted revenues.....		3,857,400
15	State general fund/general purpose.....	\$	90,933,400
16	Sec. 115. CRIME VICTIM SERVICES COMMISSION		
17	Full-time equated classified positions.....	13.0	
18	Grants administration services--13.0 FTE positions ...	\$	2,128,100
19	Justice assistance grants.....		15,000,000
20	Crime victim rights services grants.....		<u>16,870,000</u>
21	GROSS APPROPRIATION.....	\$	33,998,100
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues.....		18,696,900
25	Special revenue funds:		
26	Total other state restricted revenues.....		15,301,200
27	State general fund/general purpose.....	\$	0

1	Sec. 116. OFFICE OF SERVICES TO THE AGING		
2	Full-time equated classified positions.....	40.0	
3	Office of services to aging administration--40.0 FTE		
4	positions		\$ 7,600,700
5	Community services.....		39,013,900
6	Nutrition services.....		39,044,000
7	Foster grandparent volunteer program.....		2,233,600
8	Retired and senior volunteer program.....		627,300
9	Senior companion volunteer program.....		1,604,400
10	Employment assistance.....		3,500,000
11	Respite care program.....		<u>5,868,700</u>
12	GROSS APPROPRIATION.....		\$ 99,492,600
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		57,534,600
16	Special revenue funds:		
17	Total private revenues.....		677,500
18	Merit award trust fund.....		4,068,700
19	Total other state restricted revenues.....		1,400,000
20	State general fund/general purpose.....		\$ 35,811,800
21	Sec. 117. MEDICAL SERVICES ADMINISTRATION		
22	Full-time equated classified positions.....	495.5	
23	Medical services administration--435.5 FTE positions .		\$ 71,318,700
24	Healthy Michigan plan administration--36.0 FTE		
25	positions		49,353,800
26	Facility inspection contract.....		132,800
27	MIChild administration.....		4,327,800

Senate Bill No. 763 as amended May 6, 2014

1	Electronic health record incentive program--24.0 FTE	
2	positions	<u>144,233,600</u>
3	GROSS APPROPRIATION.....	\$ 269,366,700
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	229,872,200
7	Special revenue funds:	
8	Total local revenues.....	105,900
9	Total private revenues.....	100,000
10	Total other state restricted revenues.....	331,700
11	State general fund/general purpose.....	\$ 38,956,900
12	Sec. 118. MEDICAL SERVICES	
13	Hospital services and therapy.....	\$ <1,179,413,500>
14	Hospital disproportionate share payments.....	45,000,000
15	Physician services.....	<<399,495,600>>
16	Medicare premium payments.....	412,503,400
17	Pharmaceutical services.....	296,047,000
18	Home health services.....	5,792,700
19	Hospice services.....	114,669,200
20	Transportation.....	23,038,300
21	Auxiliary medical services.....	7,330,000
22	Dental services.....	198,120,700
23	Ambulance services.....	10,825,300
24	Long-term care services.....	1,412,567,400
25	Integrated care organizations.....	478,495,500
26	Medicaid home- and community-based services waiver...	326,073,800
27	Adult home help services.....	288,695,200

Senate Bill No. 763 as amended May 6, 2014

1	Personal care services.....	12,589,300
2	Program of all-inclusive care for the elderly.....	66,672,600
3	Autism services.....	25,171,800
4	Health plan services.....	4,655,717,600
5	MiChild program.....	71,220,100
6	Special indigent care payments.....	100
7	Federal Medicare pharmaceutical program.....	150,883,900
8	Maternal and child health.....	20,279,500
9	Healthy Michigan plan.....	2,247,573,500
10	Subtotal basic medical services program.....	<12,448,176,000>
11	School-based services.....	112,102,700
12	Special Medicaid reimbursement.....	321,831,500
13	Subtotal special medical services payments.....	<u>433,934,200</u>
14	GROSS APPROPRIATION.....	\$12,882,110,200
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	<9,259,377,900>
18	Special revenue funds:	
19	Total local revenues.....	27,137,200
20	Total private revenues.....	2,100,000
21	Merit award trust fund.....	64,266,000
22	Total other state restricted revenues.....	1,853,980,200
23	State general fund/general purpose.....	\$ 1,675,248,900
24	Sec. 119. INFORMATION TECHNOLOGY	
25	Information technology services and projects.....	\$ 37,002,700
26	Michigan Medicaid information system.....	<u>50,201,100</u>
27	GROSS APPROPRIATION.....	\$ 87,203,800

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	45,480,400
4	Special revenue funds:	
5	Total private revenues.....	20,000,000
6	Total other state restricted revenues.....	1,988,000
7	State general fund/general purpose.....	\$ 19,735,400
8	Sec. 120. ONE-TIME BASIS ONLY APPROPRIATIONS	
9	Hospital services and therapy - graduate medical	
10	education	\$ 4,314,200
11	University autism programs.....	5,500,000
12	Child and adolescent health services.....	2,000,000
13	Mental health commission recommendations.....	100
14	Dental clinic program.....	<u>4,092,300</u>
15	GROSS APPROPRIATION.....	\$ 15,906,600
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	2,864,200
19	Social security act, temporary assistance for needy	
20	families	2,000,000
21	State general fund/general purpose.....	\$ 11,042,400

22 PART 2

23 PROVISIONS CONCERNING APPROPRIATIONS

24 FOR FISCAL YEAR 2014-2015

25 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 2014-2015 is \$5,093,632,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2014-2015 is \$1,070,202,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

Community residential and support services	\$	757,200
Housing and support services		812,800

BEHAVIORAL HEALTH SERVICES

State disability assistance program substance use disorder services	\$	2,018,000
Community substance use disorder prevention, education, and treatment programs		14,555,400
Medicaid mental health services		731,787,500
Community mental health non-Medicaid services		101,871,700
Mental health services for special populations		8,842,900
Medicaid substance use disorder services		14,857,900
Children's waiver home care program		6,056,200
Nursing home PAS/ARR-OBRA		2,725,300

PUBLIC HEALTH ADMINISTRATION

Health and wellness initiatives	\$	3,584,600
---------------------------------------	----	-----------

HEALTH POLICY

Primary care services	\$	413,900
-----------------------------	----	---------

LABORATORY SERVICES

1	Laboratory services.....	\$	16,200
2	EPIDEMIOLOGY AND INFECTIOUS DISEASE		
3	Sexually transmitted disease control program.....	\$	175,200
4	Immunization program.....		1,123,500
5	LOCAL HEALTH ADMINISTRATION AND GRANTS		
6	Implementation of 1993 PA 133, MCL 333.17015	\$	5,000
7	Essential local public health services		34,236,200
8	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
9	AIDS prevention, testing, and care programs	\$	1,600,100
10	Cancer prevention and control program.....		94,700
11	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
12	Prenatal care outreach and service delivery support ..	\$	1,500,000
13	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
14	Medical care and treatment.....	\$	939,700
15	Outreach and advocacy.....		2,226,000
16	CRIME VICTIM SERVICES COMMISSION		
17	Crime victim rights services grants.....	\$	7,200,600
18	OFFICE OF SERVICES TO THE AGING		
19	Community services.....	\$	16,533,500
20	Nutrition services.....		10,587,000
21	Foster grandparent volunteer program.....		657,100
22	Retired and senior volunteer program.....		173,900
23	Senior companion volunteer program.....		348,800
24	Respite care program.....		5,115,000
25	MEDICAL SERVICES		
26	Dental services.....	\$	990,600
27	Long-term care services.....		84,754,000

1	Transportation.....	1,359,300
2	Hospital services and therapy.....	2,344,700
3	Physician services.....	<u>9,938,200</u>

4 TOTAL OF PAYMENTS TO LOCAL UNITS

5 OF GOVERNMENT..... \$ 1,070,202,700

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

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

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

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

14 (c) "Current fiscal year" means the fiscal year ending
 15 September 30, 2015.

16 (d) "Department" means the department of community health.

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

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

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

21 (h) "Federal poverty level" means the poverty guidelines
 22 published annually in the federal register by the United States
 23 department of health and human services under its authority to
 24 revise the poverty line under 42 USC 9902.

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

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

27 (k) "Health plan" means, at a minimum, an organization that

1 meets the criteria for delivering the comprehensive package of
2 services under the department's comprehensive health plan.

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

5 (m) "HIV" means human immunodeficiency virus.

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

7 (o) "MCH" means maternal and child health.

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

9 (q) "PAS/ARR-OBRA" means the preadmission screening and annual
10 resident review required under section 1919(e)(7) of the social
11 security act, 42 USC 1396r.

12 (r) "PIHP" means a specialty prepaid inpatient health plan for
13 Medicaid mental health services, services to individuals with
14 developmental disabilities, and substance use disorder services.
15 Specialty prepaid inpatient health plans are described in section
16 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

17 (s) "Title XVIII" and "Medicare" mean title XVIII of the
18 social security act, 42 USC 1395 to 1395kkk-1.

19 (t) "Title XIX" and "Medicaid" mean title XIX of the social
20 security act, 42 USC 1396 to 1396w-5.

21 (u) "Title XX" means title XX of the social security act, 42
22 USC 1397 to 1397m-5.

23 Sec. 206. (1) In addition to the funds appropriated in part 1,
24 there is appropriated an amount not to exceed \$200,000,000.00 for
25 federal contingency funds. These funds are not available for
26 expenditure until they have been transferred to another line item
27 in part 1 under section 393(2) of the management and budget act,

1 1984 PA 431, MCL 18.1393.

2 (2) In addition to the funds appropriated in part 1, there is
3 appropriated an amount not to exceed \$40,000,000.00 for state
4 restricted contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in part 1 under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

8 (3) In addition to the funds appropriated in part 1, there is
9 appropriated an amount not to exceed \$20,000,000.00 for local
10 contingency funds. These funds are not available for expenditure
11 until they have been transferred to another line item in part 1
12 under section 393(2) of the management and budget act, 1984 PA 431,
13 MCL 18.1393.

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

20 Sec. 207. The department shall maintain, on a public
21 accessible website, a department scorecard that identifies, tracks,
22 and regularly updates key metrics that are used to monitor and
23 improve the department's performance.

24 Sec. 208. The departments and agencies receiving
25 appropriations in part 1 shall use the Internet to fulfill the
26 reporting requirements of this part and part 1. This requirement
27 may include transmission of reports via electronic mail to the

1 recipients identified for each reporting requirement, or it may
2 include placement of reports on the Internet or Intranet site.

3 Sec. 209. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference shall be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses if they are competitively priced and of comparable
9 quality. In addition, preference shall be given to goods or
10 services, or both, that are manufactured or provided by Michigan
11 businesses owned and operated by veterans if they are competitively
12 priced and of comparable quality.

13 Sec. 210. The director shall take all reasonable steps to
14 ensure businesses in deprived and depressed communities compete for
15 and perform contracts to provide services or supplies, or both. The
16 director shall strongly encourage firms with which the department
17 contracts to subcontract with certified businesses in depressed and
18 deprived communities for services, supplies, or both.

19 Sec. 211. If the revenue collected by the department from fees
20 and collections exceeds the amount appropriated in part 1, the
21 revenue may be carried forward with the approval of the state
22 budget director into the subsequent fiscal year. The revenue
23 carried forward under this section shall be used as the first
24 source of funds in the subsequent fiscal year.

25 Sec. 212. (1) On or before February 1 of the current fiscal
26 year, the department shall report to the house and senate
27 appropriations subcommittees on community health, the house and

1 senate fiscal agencies, and the state budget director on the
2 detailed name and amounts of federal, restricted, private, and
3 local sources of revenue that support the appropriations in each of
4 the line items in part 1.

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

11 Sec. 213. The state departments, agencies, and commissions
12 receiving tobacco tax funds and healthy Michigan funds from part 1
13 shall report by April 1 of the current fiscal year to the senate
14 and house appropriations committees, the senate and house fiscal
15 agencies, and the state budget director on the following:

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

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

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

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

26 (e) Any other information considered necessary by the house of
27 representatives or senate appropriations committees or the state

1 budget director.

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

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

13 Sec. 218. The department shall include the following in its
14 annual list of proposed basic health services as required in part
15 23 of the public health code, 1978 PA 368, MCL 333.2301 to
16 333.2321:

17 (a) Immunizations.

18 (b) Communicable disease control.

19 (c) Sexually transmitted disease control.

20 (d) Tuberculosis control.

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

22 (f) Screening newborns for the conditions listed in section
23 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
24 recommended by the newborn screening quality assurance advisory
25 committee created under section 5430 of the public health code,
26 1978 PA 368, MCL 333.5430.

27 (g) Community health annex of the Michigan emergency

1 management plan.

2 (h) Prenatal care.

3 Sec. 219. (1) The department may contract with the Michigan
4 public health institute for the design and implementation of
5 projects and for other public health-related activities prescribed
6 in section 2611 of the public health code, 1978 PA 368, MCL
7 333.2611. The department may develop a master agreement with the
8 institute to carry out these purposes for up to a 3-year period.
9 The department shall report to the house and senate appropriations
10 subcommittees on community health, the house and senate fiscal
11 agencies, and the state budget director on or before January 1 of
12 the current fiscal year all of the following:

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

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

17 (c) The expected project duration.

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

21 (2) On or before September 30 of the current fiscal year, the
22 department shall provide to the same parties listed in subsection
23 (1) a copy of all reports, studies, and publications produced by
24 the Michigan public health institute, its subcontractors, or the
25 department with the funds appropriated in part 1 and allocated to
26 the Michigan public health institute.

27 Sec. 223. The department may establish and collect fees for

1 publications, videos and related materials, conferences, and
2 workshops. Collected fees shall be used to offset expenditures to
3 pay for printing and mailing costs of the publications, videos and
4 related materials, and costs of the workshops and conferences. The
5 department shall not collect fees under this section that exceed
6 the cost of the expenditures.

7 Sec. 251. The department shall develop a plan designed to
8 improve Michigan's childhood and adolescent immunization rates. The
9 department shall engage organizations working to provide
10 immunizations and education about the value of vaccines, including,
11 but not limited to, statewide organizations representing health
12 care providers, local public health departments, child health
13 interest groups, and private foundations with a mission to increase
14 immunization rates.

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

27 Sec. 253. By January 1 of the current fiscal year, the

1 department shall provide to the senate and house appropriations
2 subcommittees on the department budget, the senate and house fiscal
3 agencies, and the state budget office a cost-benefit analysis of
4 implementing the generic peanut butter purchasing requirement
5 within the women, infants, and children food and nutrition program.

6 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
7 state plan amendment, or a similar proposal to the centers for
8 Medicare and Medicaid services, the department shall notify the
9 house and senate appropriations subcommittees on community health
10 and the house and senate fiscal agencies of the submission.

11 (2) The department shall provide written or verbal biannual
12 reports to the senate and house appropriations subcommittees on
13 community health and the senate and house fiscal agencies
14 summarizing the status of any new or ongoing discussions with the
15 centers for Medicare and Medicaid services or the federal
16 department of health and human services regarding potential or
17 future Medicaid waiver applications.

18 (3) The department shall inform the senate and house
19 appropriations subcommittees on community health and the senate and
20 house fiscal agencies of any alterations or adjustments made to the
21 published plan for integrated care for individuals who are dual
22 Medicare/Medicaid eligibles when the final version of the plan has
23 been submitted to the federal centers for Medicare and Medicaid
24 services or the federal department of health and human services.

25 (4) At least 30 days before implementation of the plan for
26 integrated care for individuals who are dual Medicare/Medicaid
27 eligibles, the department shall submit the plan to the legislature

1 for review.

2 Sec. 265. The department and agencies receiving appropriations
3 in part 1 shall receive and retain copies of all reports funded
4 from appropriations in part 1. Federal and state guidelines for
5 short-term and long-term retention of records shall be followed.
6 The department may electronically retain copies of reports unless
7 otherwise required by federal and state guidelines.

8 Sec. 266. The departments and agencies receiving
9 appropriations in part 1 shall prepare a report on out-of-state
10 travel expenses not later than January 1 of each year. The travel
11 report shall be a listing of all travel by classified and
12 unclassified employees outside this state in the immediately
13 preceding fiscal year that was funded in whole or in part with
14 funds appropriated in the department's budget. The report shall be
15 submitted to the senate and house appropriations committees, the
16 house and senate fiscal agencies, and the state budget director.
17 The report shall include the following information:

18 (a) The dates of each travel occurrence.

19 (b) The transportation and related costs of each travel
20 occurrence, including the proportion funded with state general
21 fund/general purpose revenues, the proportion funded with state
22 restricted revenues, the proportion funded with federal revenues,
23 and the proportion funded with other revenues.

24 Sec. 267. The department shall not take disciplinary action
25 against an employee for communicating with a member of the
26 legislature or his or her staff.

27 Sec. 270. Within 180 days after receipt of the notification

1 from the attorney general's office of a legal action in which
2 expenses had been recovered pursuant to section 106(4) of the
3 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
4 under which the department has the right to recover expenses, the
5 department shall submit a written report to the house and senate
6 appropriations subcommittees on community health, the house and
7 senate fiscal agencies, and the state budget office which includes,
8 at a minimum, all of the following:

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

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

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

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

16 Sec. 276. Funds appropriated in part 1 shall not be used by a
17 principal executive department, state agency, or authority to hire
18 a person to provide legal services that are the responsibility of
19 the attorney general. This prohibition does not apply to legal
20 services for bonding activities and for those outside services that
21 the attorney general authorizes.

22 Sec. 282. (1) The department, through its organizational units
23 responsible for departmental administration, operation, and
24 finance, shall establish uniform definitions, standards, and
25 instructions for the classification, allocation, assignment,
26 calculation, recording, and reporting of administrative costs by
27 the following entities:

1 (a) Coordinating agencies on substance abuse and the Salvation
2 Army harbor light program that receive payment or reimbursement
3 from funds appropriated under section 104.

4 (b) Area agencies on aging and local providers that receive
5 payment or reimbursement from funds appropriated under section 116.

6 (2) By May 15 of the current fiscal year, the department shall
7 provide a written draft of its proposed definitions, standards, and
8 instructions to the house of representatives and senate
9 appropriations subcommittees on community health, the house and
10 senate fiscal agencies, and the state budget director.

11 Sec. 287. Not later than November 30, the state budget office
12 shall prepare and transmit a report that provides for estimates of
13 the total general fund/general purpose appropriation lapses at the
14 close of the prior fiscal year. This report shall summarize the
15 projected year-end general fund/general purpose appropriation
16 lapses by major departmental program or program areas. The report
17 shall be transmitted to the chairpersons of the senate and house
18 appropriations committees, and the senate and house fiscal
19 agencies.

20 Sec. 292. The department shall cooperate with the department
21 of technology, management, and budget to maintain a searchable
22 website accessible by the public at no cost that includes, but is
23 not limited to, all of the following:

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

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

26 (c) Fiscal year-to-date payments to a selected vendor,
27 including the vendor name, payment date, payment amount, and

1 payment description.

2 (d) The number of active department employees by job
3 classification.

4 (e) Job specifications and wage rates.

5 Sec. 296. Within 14 days after the release of the executive
6 budget recommendation, the department shall cooperate with the
7 state budget office to provide the senate and house appropriations
8 chairs, the senate and house appropriations subcommittees on
9 community health, and the senate and house fiscal agencies with an
10 annual report on estimated state restricted fund balances, state
11 restricted fund projected revenues, and state restricted fund
12 expenditures for the fiscal years ending September 30, 2013 and
13 September 30, 2014.

14 Sec. 297. Total authorized appropriations from all sources
15 under part 1 for legacy costs for the fiscal year ending September
16 30, 2015 are \$89,124,600.00. From this amount, total agency
17 appropriations for pension-related legacy costs are estimated at
18 \$449,676,000.00. Total agency appropriations for retiree health
19 care legacy costs are estimated at \$39,448,600.00.

20 Sec. 298. From the funds appropriated in part 1 for the
21 Michigan Medicaid information system line item, \$20,000,000.00 in
22 private revenue will be allocated for the Michigan-Illinois
23 alliance Medicaid management information systems project.

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

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

7 **BEHAVIORAL HEALTH SERVICES**

8 Sec. 401. Funds appropriated in part 1 are intended to support
9 a system of comprehensive community mental health services under
10 the full authority and responsibility of local CMHSPs or PIHPs. The
11 department shall ensure that each CMHSP or PIHP provides all of the
12 following:

13 (a) A system of single entry and single exit.

14 (b) A complete array of mental health services that includes,
15 but is not limited to, all of the following services: residential
16 and other individualized living arrangements, outpatient services,
17 acute inpatient services, and long-term, 24-hour inpatient care in
18 a structured, secure environment.

19 (c) The coordination of inpatient and outpatient hospital
20 services through agreements with state-operated psychiatric
21 hospitals, units, and centers in facilities owned or leased by the
22 state, and privately-owned hospitals, units, and centers licensed
23 by the state pursuant to sections 134 through 149b of the mental
24 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

25 (d) Individualized plans of service that are sufficient to
26 meet the needs of individuals, including those discharged from

1 psychiatric hospitals or centers, and that ensure the full range of
2 recipient needs is addressed through the CMHSP's or PIHP's program
3 or through assistance with locating and obtaining services to meet
4 these needs.

5 (e) A system of case management or care management to monitor
6 and ensure the provision of services consistent with the
7 individualized plan of services or supports.

8 (f) A system of continuous quality improvement.

9 (g) A system to monitor and evaluate the mental health
10 services provided.

11 (h) A system that serves at-risk and delinquent youth as
12 required under the provisions of the mental health code, 1974 PA
13 258, MCL 330.1001 to 330.2106.

14 Sec. 402. (1) From funds appropriated in part 1, final
15 authorizations for non-Medicaid mental health services shall be
16 made upon the execution of contracts between the department and the
17 service provider intermediary. The contracts shall contain an
18 approved plan and budget as well as policies and procedures
19 governing the obligations and responsibilities of both parties to
20 the contracts. Each contract that the department is authorized to
21 enter into under this subsection shall include a provision that the
22 contract is not valid unless the total dollar obligation for all of
23 the contracts entered into under this subsection for the current
24 fiscal year does not exceed the amount of money appropriated in
25 part 1 for the contracts authorized under this subsection.

26 (2) The department shall immediately report to the senate and
27 house appropriations subcommittees on community health, the senate

1 and house fiscal agencies, and the state budget director if either
2 of the following occurs:

3 (a) Any new contracts that would affect rates or expenditures
4 are enacted.

5 (b) Any amendments to contracts that would affect rates or
6 expenditures are enacted.

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

10 Sec. 403. (1) From the funds appropriated in part 1 for mental
11 health services for special populations, the department shall
12 ensure that CMHSPs or PIHPs meet with multicultural service
13 providers to develop a workable framework for contracting, service
14 delivery, and reimbursement.

15 (2) Funds appropriated in part 1 for mental health services
16 for special populations shall not be utilized for services provided
17 to illegal immigrants, fugitive felons, and individuals who are not
18 residents of this state. The department shall maintain contracts
19 with recipients of multicultural services grants that mandate
20 grantees establish that recipients of services are legally residing
21 in the United States. An exception to the contractual provision
22 shall be allowed to address individuals presenting with emergent
23 mental health conditions.

24 (3) The department shall require an annual report from the
25 independent organizations that receive mental health services for
26 special populations funding. The annual report, due January 1 of
27 the current fiscal year, shall include specific information on

1 services and programs provided, the client base to which the
2 services and programs were provided, information on any wraparound
3 services provided, and the expenditures for those services. The
4 department shall provide the annual reports to the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies.

7 Sec. 404. (1) Not later than May 31 of the current fiscal
8 year, the department shall provide a report on the community mental
9 health services programs to the members of the house and senate
10 appropriations subcommittees on community health, the house and
11 senate fiscal agencies, and the state budget director that includes
12 the information required by this section.

13 (2) The report shall contain information for each CMHSP or
14 PIHP and a statewide summary, each of which shall include at least
15 the following information:

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

19 (b) Per capita expenditures by client population group.

20 (c) Financial information that, minimally, includes a
21 description of funding authorized; expenditures by client group and
22 fund source; and cost information by service category, including
23 administration. Service category includes all department-approved
24 services.

25 (d) Data describing service outcomes that includes, but is not
26 limited to, an evaluation of consumer satisfaction, consumer
27 choice, and quality of life concerns including, but not limited to,

1 housing and employment.

2 (e) Information about access to community mental health
3 services programs that includes, but is not limited to, the
4 following:

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

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

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

10 (g) An analysis of information provided by CMHSPs in response
11 to the needs assessment requirements of the mental health code,
12 1974 PA 258, MCL 330.1001 to 330.2106, including information about
13 the number of individuals in the service delivery system who have
14 requested and are clinically appropriate for different services.

15 (h) Lapses and carryforwards during the immediately preceding
16 fiscal year for CMHSPs or PIHPs.

17 (i) Information about contracts for mental health services
18 entered into by CMHSPs or PIHPs with providers, including, but not
19 limited to, all of the following:

20 (i) The amount of the contract, organized by type of service
21 provided.

22 (ii) Payment rates, organized by the type of service provided.

23 (iii) Administrative costs for services provided to CMHSPs or
24 PIHPs.

25 (j) Information on the community mental health Medicaid
26 managed care program, including, but not limited to, both of the
27 following:

1 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
2 eligibility group, including per eligible individual expenditure
3 averages.

4 (ii) Performance indicator information required to be submitted
5 to the department in the contracts with CMHSPs or PIHPs.

6 (k) An estimate of the number of direct care workers in local
7 residential settings and paraprofessional and other nonprofessional
8 direct care workers in settings where skill building, community
9 living supports and training, and personal care services are
10 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
11 year employed directly or through contracts with provider
12 organizations.

13 (3) The department shall include data reporting requirements
14 listed in subsection (2) in the annual contract with each
15 individual CMHSP or PIHP.

16 (4) The department shall take all reasonable actions to ensure
17 that the data required are complete and consistent among all CMHSPs
18 or PIHPs.

19 Sec. 406. (1) The funds appropriated in part 1 for the state
20 disability assistance substance use disorder services program shall
21 be used to support per diem room and board payments in substance
22 use disorder residential facilities. Eligibility of clients for the
23 state disability assistance substance use disorder services program
24 shall include needy persons 18 years of age or older, or
25 emancipated minors, who reside in a substance use disorder
26 treatment center.

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

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

7 Sec. 407. (1) The amount appropriated in part 1 for substance
8 use disorder prevention, education, and treatment grants shall be
9 expended to coordinate care and services provided to individuals
10 with severe and persistent mental illness and substance use
11 disorder diagnoses.

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

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

19 Sec. 408. (1) By April 1 of the current fiscal year, the
20 department shall report the following data from the prior fiscal
21 year on substance use disorder prevention, education, and treatment
22 programs to the senate and house appropriations subcommittees on
23 community health, the senate and house fiscal agencies, and the
24 state budget office:

25 (a) Expenditures stratified by department-designated community
26 mental health entity, by central diagnosis and referral agency, by
27 fund source, by subcontractor, by population served, and by service

1 type. Additionally, data on administrative expenditures by
2 department-designated community mental health entity shall be
3 reported.

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

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

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

14 (2) The department shall take all reasonable actions to ensure
15 that the required data reported are complete and consistent among
16 all department-designated community mental health entities.

17 Sec. 410. The department shall assure that substance use
18 disorder treatment is provided to applicants and recipients of
19 public assistance through the department of human services who are
20 required to obtain substance use disorder treatment as a condition
21 of eligibility for public assistance.

22 Sec. 411. (1) The department shall ensure that each contract
23 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
24 programs to encourage diversion of individuals with serious mental
25 illness, serious emotional disturbance, or developmental disability
26 from possible jail incarceration when appropriate.

27 (2) Each CMHSP or PIHP shall have jail diversion services and

1 shall work toward establishing working relationships with
2 representative staff of local law enforcement agencies, including
3 county prosecutors' offices, county sheriffs' offices, county
4 jails, municipal police agencies, municipal detention facilities,
5 and the courts. Written interagency agreements describing what
6 services each participating agency is prepared to commit to the
7 local jail diversion effort and the procedures to be used by local
8 law enforcement agencies to access mental health jail diversion
9 services are strongly encouraged.

10 Sec. 412. The department shall contract directly with the
11 Salvation Army harbor light program to provide non-Medicaid
12 substance use disorder services.

13 Sec. 418. On or before the tenth of each month, the department
14 shall report to the senate and house appropriations subcommittees
15 on community health, the senate and house fiscal agencies, and the
16 state budget director on the amount of funding paid to PIHPs to
17 support the Medicaid managed mental health care program in the
18 preceding month. The information shall include the total paid to
19 each PIHP, per capita rate paid for each eligibility group for each
20 PIHP, and number of cases in each eligibility group for each PIHP,
21 and year-to-date summary of eligibles and expenditures for the
22 Medicaid managed mental health care program.

23 Sec. 424. Each PIHP that contracts with the department to
24 provide services to the Medicaid population shall adhere to the
25 following timely claims processing and payment procedure for claims
26 submitted by health professionals and facilities:

27 (a) A "clean claim" as described in section 111i of the social

1 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
2 days after receipt of the claim by the PIHP. A clean claim that is
3 not paid within this time frame shall bear simple interest at a
4 rate of 12% per annum.

5 (b) A PIHP shall state in writing to the health professional
6 or facility any defect in the claim within 30 days after receipt of
7 the claim.

8 (c) A health professional and a health facility have 30 days
9 after receipt of a notice that a claim or a portion of a claim is
10 defective within which to correct the defect. The PIHP shall pay
11 the claim within 30 days after the defect is corrected.

12 Sec. 428. Each PIHP shall provide, from internal resources,
13 local funds to be used as a bona fide part of the state match
14 required under the Medicaid program in order to increase capitation
15 rates for PIHPs. These funds shall not include either state funds
16 received by a CMHSP for services provided to non-Medicaid
17 recipients or the state matching portion of the Medicaid capitation
18 payments made to a PIHP.

19 Sec. 435. A county required under the provisions of the mental
20 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
21 matching funds to a CMHSP for mental health services rendered to
22 residents in its jurisdiction shall pay the matching funds in equal
23 installments on not less than a quarterly basis throughout the
24 fiscal year, with the first payment being made by October 1 of the
25 current fiscal year.

26 Sec. 474. The department shall ensure that each contract with
27 a CMHSP or PIHP requires the CMHSP or PIHP to provide each

1 recipient and his or her family with information regarding the
2 different types of guardianship and the alternatives to
3 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
4 reduce or restrict the ability of a recipient or his or her family
5 from seeking to obtain any form of legal guardianship without just
6 cause.

7 Sec. 490. (1) The department shall develop a plan to maximize
8 uniformity and consistency in the standards required of providers
9 contracting directly with PIHPs and CMHSPs. The standards shall
10 include, but are not limited to, contract language, training
11 requirements for direct support staff, performance indicators,
12 financial and program audits, and billing procedures.

13 (2) The department shall provide a status report to the senate
14 and house appropriations subcommittees on community health, the
15 senate and house fiscal agencies, and the state budget director on
16 implementation of the plan by July 1 of the current fiscal year.

17 Sec. 491. The department shall explore changes in program
18 policy in the habilitation supports waiver for persons with
19 developmental disabilities that would permit the movement of a slot
20 that has become available to a county that has demonstrated a
21 greater need for the services.

22 Sec. 492. If a CMHSP has entered into an agreement with a
23 county or county sheriff to provide mental health services to the
24 inmates of the county jail, the department shall not prohibit the
25 use of state general fund/general purpose dollars by CMHSPs to
26 provide mental health services to inmates of a county jail.

27 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,

1 PIHP, or subcontracting provider agency is reviewed and accredited
2 by a national accrediting entity for behavioral health care
3 services, the department, by April 1 of the current fiscal year,
4 shall consider that CMHSP, PIHP, or subcontracting provider agency
5 in compliance with state program review and audit requirements that
6 are addressed and reviewed by that national accrediting entity.

7 (2) By June 1 of the current fiscal year, the department shall
8 report to the house and senate appropriations subcommittees on
9 community health, the house and senate fiscal agencies, and the
10 state budget office all of the following:

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

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

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

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

21 (3) The department shall continue to comply with state and
22 federal law and shall not initiate an action that negatively
23 impacts beneficiary safety.

24 (4) As used in this section, "national accrediting entity"
25 means the joint commission on accreditation of healthcare
26 organizations, the commission on accreditation of rehabilitation
27 facilities, the council of accreditation, the utilization review

1 accreditation commission, the national committee for quality
2 assurance, or other appropriate entity, as approved by the
3 department.

4 Sec. 497. The population data used in determining the
5 distribution of substance use disorder block grant funds shall be
6 from the most recent federal census.

7 Sec. 498. (1) The department shall use standard program
8 evaluation measures to assess the effectiveness of heroin and other
9 opiates treatment programs provided through coordinating agencies
10 and service providers in reducing and preventing the incidence of
11 substance use disorders. The measures established by the department
12 shall be modeled after the program outcome measures and best
13 practice guidelines for the treatment of heroin and other opiates
14 as prescribed by the federal substance abuse and mental health
15 services administration.

16 (2) By May 15 of the current fiscal year, the department shall
17 provide a report to the house and senate appropriations
18 subcommittees on community health, the house and senate fiscal
19 agencies, and the state budget office on the effectiveness of
20 treatment programs for heroin and other opiates.

21 Sec. 499. The department shall continue efforts to use mental
22 health funding to address the mental health needs of deaf and hard-
23 of-hearing persons. The department shall report to the senate and
24 house appropriations subcommittees on community health on the
25 results of this process by March 1 of the current fiscal year.

26 Sec. 502. The department shall continue developing an outreach
27 program on fetal alcohol syndrome services. The department shall

1 report to the senate and house subcommittees on community health by
2 April 1 of the current fiscal year on efforts to prevent and combat
3 fetal alcohol syndrome as well as deficiencies in efforts to reduce
4 the incidence of fetal alcohol syndrome.

5 Sec. 503. The department shall consult with CMHSPs from across
6 this state when developing policies and procedures that will impact
7 PIHPs or CMHSPs.

8 Sec. 504. (1) The department shall create a workgroup to make
9 recommendations to achieve more uniformity in capitation payments
10 made to the PIHPs.

11 (2) The workgroup shall include but not be limited to
12 representatives of the department, PIHPs, and CMHSPs.

13 (3) The department shall provide the workgroup's
14 recommendations to the senate and house appropriations
15 subcommittees on community health, the senate and house fiscal
16 agencies, and the state budget director by March 1 of the current
17 fiscal year.

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

19 Sec. 601. The department shall continue a revenue recapture
20 project to generate additional revenues from third parties related
21 to cases that have been closed or are inactive. A portion of
22 revenues collected through project efforts may be used for
23 departmental costs and contractual fees associated with these
24 retroactive collections and to improve ongoing departmental
25 reimbursement management functions.

26 Sec. 602. The purpose of gifts and bequests for patient living

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

7 Sec. 605. (1) The department shall not implement any closures
8 or consolidations of state hospitals, centers, or agencies until
9 CMHSPs or PIHPs have programs and services in place for those
10 individuals currently in those facilities and a plan for service
11 provision for those individuals who would have been admitted to
12 those facilities.

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

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

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

1 served by the operations.

2 Sec. 606. The department may collect revenue for patient
3 reimbursement from first- and third-party payers, including
4 Medicaid and local county CMHSP payers, to cover the cost of
5 placement in state hospitals and centers. The department is
6 authorized to adjust financing sources for patient reimbursement
7 based on actual revenues earned. If the revenue collected exceeds
8 current year expenditures, the revenue may be carried forward with
9 approval of the state budget director. The revenue carried forward
10 shall be used as a first source of funds in the subsequent year.

11 **PUBLIC HEALTH ADMINISTRATION**

12 Sec. 650. By October 1 of the current fiscal year, the
13 department shall provide to the senate and house appropriations
14 subcommittees on community health a report that includes detailed
15 information regarding the current process by which fish consumption
16 advisories are created and revised. The department shall include
17 all of the following information in the report:

18 (a) The triggers to begin the process for developing the fish
19 consumption advisories, such as evidence of human disease, fish
20 residue data, and biomonitoring data.

21 (b) The process for developing and modifying a fish
22 consumption advisory, including the data inputs used, the rationale
23 behind the selection of particular fish for collection, whether the
24 process has been independently reviewed and validated by a
25 scientific panel or benchmarked in any way, and the reasons for the
26 lack of any independent review, validation, or benchmarking.

1 (c) The type of data specific to a particular body of water
2 that would be needed to modify a current fish consumption advisory,
3 including the data quality criteria that are used to determine if
4 data are suitable for use in the assessment and exclusions to
5 bodies of data and the justifications for such exclusions.

6 (d) Information on the ways stakeholder input is incorporated
7 into the fish consumption advisory process prior to an advisory
8 being issued.

9 (e) Information on how advisory analyses are documented,
10 including how uncertainty analyses are conducted and reported, with
11 information as to whether these evaluations are publicly available
12 and, if not available, an explanation of why any such evaluations
13 are not publicly available.

14 Sec. 651. The department shall work with the Michigan health
15 endowment fund corporation established pursuant to section 653 of
16 the nonprofit health care corporation reform act, 1980 PA 350, MCL
17 550.1653, to explore ways to expand health and wellness programs.

18 Sec. 654. From the funds appropriated in part 1 for health and
19 wellness initiatives, \$500,000.00 shall be allocated for a pilot
20 before- and after-school healthy exercise program to promote and
21 advance physical health for school children in kindergarten through
22 grade 6. The department shall develop a model for program sites
23 that incorporates evidence-based best practices. The department
24 shall establish guidelines for program sites, which may include
25 public schools, community-based organizations, private facilities,
26 recreation centers, or other similar sites. The program format
27 shall encourage local determination of site activities and shall

1 encourage local inclusion of youth in the decision-making regarding
2 site activities. Program goals shall include children experiencing
3 good physical health, the reduction of obesity, providing a safe
4 place to play and exercise, and nutrition education. To be eligible
5 to participate in the pilot, program sites shall provide a 20%
6 match to the state funding. The department shall seek financial
7 support from corporate, foundation, or other private partners for
8 the program or for individual program sites.

9 **HEALTH POLICY**

10 Sec. 704. The department shall continue to contract with
11 grantees supported through the appropriation in part 1 for the
12 emergency medical services program to ensure that a sufficient
13 number of qualified emergency medical services personnel exist to
14 serve rural areas of the state.

15 Sec. 709. (1) The funds appropriated in part 1 for the
16 Michigan essential health care provider program may also provide
17 loan repayment for dentists that fit the criteria established by
18 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
19 333.2727.

20 (2) From the funds appropriated in part 1 for the Michigan
21 essential health provider program, the department may reduce the
22 local and private share of the loan and repayment costs to 25% for
23 primary care physicians, particularly obstetricians and
24 gynecologists working in underserved areas.

25 Sec. 712. From the funds appropriated in part 1 for primary
26 care services, \$250,000.00 shall be allocated to free health

1 clinics operating in the state. The department shall distribute the
2 funds equally to each free health clinic. For the purpose of this
3 appropriation, "free health clinics" means nonprofit organizations
4 that use volunteer health professionals to provide care to
5 uninsured individuals.

6 Sec. 713. The department shall continue support of
7 multicultural agencies that provide primary care services from the
8 funds appropriated in part 1.

9 Sec. 715. The department shall evaluate options for
10 incentivizing students attending medical schools in this state to
11 meet their primary care residency requirements in this state and
12 ultimately, for some period of time, to remain in this state and
13 serve as primary care physicians.

14 Sec. 716. (1) The department is encouraged to create and
15 implement a pilot program limited to counties with a population of
16 less than 100,000 to incentivize students attending medical schools
17 in Michigan through a loan repayment program or other approaches
18 for committing to provide medical services in rural counties with a
19 medically underserved population. The program shall be limited to
20 those students or individuals performing primary care or specialty
21 services as identified by the department.

22 (2) By no later than September 30 of the current fiscal year,
23 the department shall prepare a report and submit it to the senate
24 and house appropriations subcommittees on community health, the
25 senate and house fiscal agencies, and the state budget director.
26 The department shall evaluate the effectiveness of the pilot
27 program, identify potential changes to improve the program, and

Senate Bill No. 763 as amended May 6, 2014

1 make recommendations for statewide implementation in its report
2 under this subsection.

3 Sec. 717. (1) The department may award health innovation
4 grants to address emerging issues and encourage cutting edge
5 advances in health care including strategic partners in both the
6 public and private sectors.

7 (2) The unexpended funds appropriated for the health
8 innovation grants are considered work project appropriations, and
9 any unencumbered or unallotted funds are carried forward into the
10 following fiscal year. The following is in compliance with section
11 451a(1) of the management and budget act, 1984 PA 431, MCL
12 18.1451a:

13 (a) The purpose of the project to be carried forward is to
14 address emerging issues and encourage cutting edge advances in
15 health care including strategic partners in both the public and
16 private sectors.

17 (b) The project will be accomplished by providing incentive
18 grants.

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

21 (d) The tentative completion date for the work project is
22 September 30, 2019.

<<Sec. 720. From the funds appropriated in part 1 for the
statewide trauma system, the department shall allocate funds to
establish and operate statewide systems for trauma, stroke, ST
segment elevation myocardial infarction, perinatal, and other time-
dependent systems of care.>>

23 **INFECTIOUS DISEASE CONTROL**

24 Sec. 804. The department, in conjunction with efforts to
25 implement the Michigan prisoner reentry initiative, shall cooperate
26 with the department of corrections to share data and information as

1 they relate to prisoners being released who are HIV positive or
2 positive for the hepatitis C antibody.

3 **EPIDEMIOLOGY**

4 Sec. 851. (1) From the funds appropriated in part 1 for the
5 healthy homes program, \$1,250,100.00 shall be allocated to continue
6 lead abatement efforts.

7 (2) The department shall coordinate its lead abatement efforts
8 with the Michigan public service commission, specifically on the
9 issue of window replacement.

10 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

11 Sec. 901. The amount appropriated in part 1 for implementation
12 of the 1993 additions of or amendments to sections 9161, 16221,
13 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
14 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
15 333.17515, shall be used to reimburse local health departments for
16 costs incurred related to implementation of section 17015(18) of
17 the public health code, 1978 PA 368, MCL 333.17015.

18 Sec. 902. If a county that has participated in a district
19 health department or an associated arrangement with other local
20 health departments takes action to cease to participate in such an
21 arrangement after October 1 of the current fiscal year, the
22 department shall have the authority to assess a penalty from the
23 local health department's operational accounts in an amount equal
24 to no more than 6.25% of the local health department's essential
25 local public health services funding. This penalty shall only be

1 assessed to the local county that requests the dissolution of the
2 health department.

3 Sec. 904. (1) Funds appropriated in part 1 for essential local
4 public health services shall be prospectively allocated to local
5 health departments to support immunizations, infectious disease
6 control, sexually transmitted disease control and prevention,
7 hearing screening, vision services, food protection, public water
8 supply, private groundwater supply, and on-site sewage management.
9 Food protection shall be provided in consultation with the
10 department of agriculture and rural development. Public water
11 supply, private groundwater supply, and on-site sewage management
12 shall be provided in consultation with the department of
13 environmental quality.

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

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

20 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

21 Sec. 1001. From the funds appropriated in part 1, \$150,100.00
22 is appropriated for Alzheimer's disease services and shall be
23 remitted to the Alzheimer's association-Michigan chapters for the
24 purpose of carrying out a pilot project in Macomb, Monroe, and St.
25 Joseph Counties. The fiduciary for the funds is the Alzheimer's
26 association-greater Michigan chapter. The Alzheimer's association

1 shall provide enhanced services, including 24/7 helpline, continued
2 care consultation, and support groups, to individuals with
3 Alzheimer's disease or dementia and their families in the 3
4 counties, and partner with a Michigan public university to study
5 whether provision of such in-home support services significantly
6 delays the need for residential long-term care services for
7 individuals with Alzheimer's disease or dementia. The study must
8 also consider potential cost savings related to the delay of long-
9 term care services, if a delay is shown.

10 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

11 Sec. 1103. By January 3 of the current fiscal year the
12 department shall annually issue to the legislature, and to the
13 public on the Internet, a report providing estimated public funds
14 administered by the department for family planning, sexually
15 transmitted infection prevention and treatment, and pregnancies and
16 births, as well as demographics collected by the department as
17 voluntarily self-reported by individuals utilizing those services.
18 The department shall provide the actual expenditures by marital
19 status or, where actual expenditures are not available, shall
20 provide estimated expenditures by marital status. The department
21 may utilize the Plan First application (Form MSA 1582), MICHild,
22 and Healthy Kids application (DCH 0373) or Assistance Application
23 (DHS 1171) or any other official application for public assistance
24 for medical coverage to determine the actual or estimated public
25 expenditures based on marital status.

26 Sec. 1104. (1) Before April 1 of the current fiscal year, the

1 department shall submit a report to the house and senate fiscal
2 agencies and the state budget director on planned allocations from
3 the amounts appropriated in part 1 for local MCH services, prenatal
4 care outreach and service delivery support, family planning local
5 agreements, and pregnancy prevention programs. Using applicable
6 federal definitions, the report shall include information on all of
7 the following:

8 (a) Funding allocations.

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

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

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

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

21 Sec. 1106. Each family planning program receiving federal
22 title X family planning funds under 42 USC 300 to 300a-8 shall be
23 in compliance with all performance and quality assurance indicators
24 that the office of population affairs within the United States
25 department of health and human services specifies in the program
26 guidelines for project grants for family planning services. An
27 agency not in compliance with the indicators shall not receive

1 supplemental or reallocated funds.

2 Sec. 1108. The funds appropriated in part 1 for pregnancy
3 prevention programs shall not be used to provide abortion
4 counseling, referrals, or services.

5 Sec. 1109. (1) From the amounts appropriated in part 1 for
6 dental programs, funds shall be allocated to the Michigan dental
7 association for the administration of a volunteer dental program
8 that provides dental services to the uninsured.

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

16 Sec. 1119. From the funds appropriated in part 1 for family
17 planning local agreements or pregnancy prevention programs, no
18 state funds shall be used to encourage or support abortion
19 services.

20 Sec. 1136. From the funds appropriated in part 1 for prenatal
21 care outreach and service delivery support, \$2,200,000.00 shall be
22 allocated for a pregnancy and parenting support services program as
23 a pilot project, which program must promote childbirth and
24 alternatives to abortion. The department shall establish a program
25 with a qualified contractor that will contract with qualified
26 service providers to provide free counseling, support, and referral
27 services to eligible women during pregnancy through 12 months after

1 birth. As appropriate, the goals for client outcomes shall include
2 an increase in client support, an increase in childbirth choice, an
3 increase in adoption knowledge, an improvement in parenting skills,
4 and improved reproductive health through abstinence education. The
5 contractor of the program shall provide for program training,
6 client educational material, program marketing, and annual service
7 provider site monitoring.

8 Sec. 1137. From the funds appropriated in part 1 for prenatal
9 care outreach and service delivery support, not less than
10 \$500,100.00 of funding shall be allocated for evidence-based
11 programs to reduce infant mortality including nurse family
12 partnership programs. The funds shall be used for enhanced support
13 and education to nursing teams or other teams of qualified health
14 professionals, client recruitment in areas designated as
15 underserved for obstetrical and gynecological services and other
16 high-need communities, strategic planning to expand and sustain
17 programs, and marketing and communications of programs to raise
18 awareness, engage stakeholders, and recruit nurses.

19 Sec. 1138. The department shall allocate funds appropriated in
20 section 113 of part 1 for family, maternal, and children's health
21 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

22 Sec. 1139. (1) By November 1, 2014, the department shall work
23 jointly with the department of human services and the Michigan
24 state housing development authority to appoint members to a joint
25 task force to review housing rehabilitation, energy and
26 weatherization, and hazard abatement program policies and to make
27 recommendations for integrating and coordinating project delivery

1 with the goals of serving more families and achieving better
2 outcomes by maximizing state and federal resources. The joint task
3 force must include all of the following:

4 (a) A representative of the department.

5 (b) A representative of the healthy homes section, lead safe
6 home program.

7 (c) A construction management specialist.

8 (d) A representative of the community development division.

9 (e) A representative of the Michigan state housing development
10 authority.

11 (f) An energy and weatherization staff representative from the
12 department of human services.

13 (g) A local weatherization operator.

14 (h) A certified lead professional or a certified lead
15 contractor.

16 (i) Representatives from at least 2 community organizations
17 that address harmful housing conditions.

18 (2) The department and the Michigan state housing development
19 authority shall organize the initial meeting of the task force and
20 shall provide administrative support for the task force.

21 (3) By March 1, 2015, the task force described in subsection
22 (1) shall provide to the house and senate chairs of the
23 appropriations subcommittees for the department and the department
24 of human services, the senate and house fiscal agencies, and the
25 senate and house policy offices a report of its findings and
26 recommendations.

27 Sec. 1140. From the funds appropriated in part 1 for prenatal

1 care outreach and service delivery support, equal consideration
2 shall be given to all reasonably qualified providers in all regions
3 in contracting for rural health visitation services.

4 Sec. 1141. From the funds appropriated in part 1 for special
5 projects, \$250,000.00 shall be allocated to Michigan Blood, the
6 partner of the match registry of the national marrow donor program.
7 The department shall use the funds to offset ongoing tissue typing
8 expenses associated with donor recruitment and collection services
9 and to expand those services to better serve the citizens of this
10 state.

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

12 Sec. 1202. The department may do 1 or more of the following:

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

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

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

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

21 Sec. 1205. From the funds appropriated in part 1 for medical
22 care and treatment, the department is authorized to spend up to
23 \$500,000.00 for the continued development and expansion of
24 telemedicine capacity to allow families with children in the
25 children's special health care services program to access specialty
26 providers more readily and in a more timely manner.

1 **CRIME VICTIM SERVICES COMMISSION**

2 Sec. 1302. From the funds appropriated in part 1 for justice
3 assistance grants, up to \$200,000.00 shall be allocated for
4 expansion of forensic nurse examiner programs to facilitate
5 training for improved evidence collection for the prosecution of
6 sexual assault. The funds shall be used for program coordination
7 and training.

8 **OFFICE OF SERVICES TO THE AGING**

9 Sec. 1403. (1) By February 1 of the current fiscal year, the
10 office of services to the aging shall require each region to report
11 to the office of services to the aging and to the legislature home-
12 delivered meals waiting lists based upon standard criteria.

13 Determining criteria shall include all of the following:

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

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

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

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

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

24 Sec. 1417. The department shall provide to the senate and
25 house appropriations subcommittees on community health, senate and

1 house fiscal agencies, and state budget director a report by March
2 30 of the current fiscal year that contains all of the following:

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

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

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

11 **MEDICAL SERVICES ADMINISTRATION**

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

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

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

26 (c) The estimated cost of this project phase is identified in

1 the appropriation line item.

2 (d) The tentative completion date for the work project is
3 September 30, 2019.

4 Sec. 1502. From the funds appropriated in part 1 for the
5 medical services administration, the department shall spend
6 \$300,000.00 general fund/general purpose plus any associated
7 federal match to create and develop a transparency database
8 website. This funding is contingent upon enactment of enabling
9 legislation.

10 **MEDICAL SERVICES**

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

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

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

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

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

1 assistance standard.

2 Sec. 1606. For the purpose of guardian and conservator
3 charges, the department may deduct up to \$60.00 per month as an
4 allowable expense against a recipient's income when determining
5 medical services eligibility and patient pay amounts.

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

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

25 (3) In the event that an applicant, presumed to be eligible
26 pursuant to subsection (1), is subsequently found to be ineligible,
27 a Medicaid physician or managed care plan that has been providing

1 pregnancy services to an applicant under this section is entitled
2 to reimbursement for those services until such time as they are
3 notified by the department that the applicant was found to be
4 ineligible for Medicaid.

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

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

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

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

20 Sec. 1611. (1) For care provided to medical services
21 recipients with other third-party sources of payment, medical
22 services reimbursement shall not exceed, in combination with such
23 other resources, including Medicare, those amounts established for
24 medical services-only patients. The medical services payment rate
25 shall be accepted as payment in full. Other than an approved
26 medical services co-payment, no portion of a provider's charge
27 shall be billed to the recipient or any person acting on behalf of

1 the recipient. Nothing in this section shall be considered to
2 affect the level of payment from a third-party source other than
3 the medical services program. The department shall require a
4 nonenrolled provider to accept medical services payments as payment
5 in full.

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

12 Sec. 1620. (1) For fee-for-service recipients who do not
13 reside in nursing homes, the pharmaceutical dispensing fee shall be
14 \$2.75 or the pharmacy's usual or customary cash charge, whichever
15 is less. For nursing home residents, the pharmaceutical dispensing
16 fee shall be \$3.00 or the pharmacy's usual or customary cash
17 charge, whichever is less.

18 (2) The department shall require a prescription co-payment for
19 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
20 brand-name drug, except as prohibited by federal or state law or
21 regulation.

22 Sec. 1629. The department shall utilize maximum allowable cost
23 pricing for generic drugs that is based on wholesaler pricing to
24 providers that is available from at least 2 wholesalers who deliver
25 in the state of Michigan.

26 Sec. 1631. (1) The department shall require co-payments on
27 dental, podiatric, and vision services provided to Medicaid

1 recipients, except as prohibited by federal or state law or
2 regulation.

3 (2) Except as otherwise prohibited by federal or state law or
4 regulations, the department shall require Medicaid recipients to
5 pay the following co-payments:

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

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

8 (c) Fifty dollars for the first day of an inpatient hospital
9 stay.

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

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

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

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

26 (3) Subsections (1) and (2) do not require an alteration to an
27 existing agreement between an HMO and its contracting hospitals and

Senate Bill No. 763 as amended May 6, 2014

1 do not require an HMO to reimburse for services that are not
2 considered to be medically necessary.

3 Sec. 1659. The following sections of this part are the only
4 ones that shall apply to the following Medicaid managed care
5 programs, including the comprehensive plan, MIChoice long-term care
6 plan, and the mental health, substance use disorder, and
7 developmentally disabled services program: 404, 411, 418, 428, 474,
8 494, 1607, 1657, 1662, 1689, 1699, 1740, 1756, 1764, <<1815,>> 1820,
9 1832,
10 1835, 1850, 1881, 1887, and 1888.

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

16 (2) The department shall require Medicaid HMOs to provide
17 EPSDT utilization data through the encounter data system, and HEDIS
18 well child health measures in accordance with the national
19 committee for quality assurance prescribed methodology.

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

27 (4) For the purpose of scoring Medicaid HMO performance for
use in the department's auto-assignment algorithm, the department

1 shall score all Medicaid HMOs by measurement components in each
2 geographic super region. As used in this subsection, "super region"
3 means the geographic area currently identified and defined by the
4 department for use in HMO Medicaid rate setting.

5 Sec. 1670. (1) The appropriation in part 1 for the MICHild
6 program is to be used to provide comprehensive health care to all
7 children under age 19 who reside in families with income at or
8 below 200% of the federal poverty level, who are uninsured and have
9 not had coverage by other comprehensive health insurance within 6
10 months of making application for MICHild benefits, and who are
11 residents of this state. The department shall develop detailed
12 eligibility criteria through the medical services administration
13 public concurrence process, consistent with the provisions of this
14 part and part 1. Health coverage for children in families between
15 150% and 200% of the federal poverty level shall be provided
16 through a state-based private health care program.

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

23 (3) Children whose category of eligibility changes between the
24 Medicaid and MICHild programs shall be assured of keeping their
25 current health care providers through the current prescribed course
26 of treatment for up to 1 year, subject to periodic reviews by the
27 department if the beneficiary has a serious medical condition and

1 is undergoing active treatment for that condition.

2 (4) To be eligible for the MICHild program, a child must be
3 residing in a family with an adjusted gross income of less than or
4 equal to 200% of the federal poverty level. The department's
5 verification policy shall be used to determine eligibility.

6 (5) The department shall contract with Medicaid health plans
7 to provide physical health services to MICHild enrollees. The
8 department may continue to obtain physical health services for
9 MICHild enrollees from health maintenance organizations and
10 preferred provider organizations currently under contract for
11 whatever duration is needed as determined by the department. The
12 department shall contractually require that health plans pay out-
13 of-network providers at the department fee schedule. The department
14 shall contract with qualified dental plans to provide dental
15 coverage for MICHild enrollees.

16 (6) The department may enter into contracts to obtain certain
17 MICHild services from community mental health service programs.

18 (7) The department may make payments on behalf of children
19 enrolled in the MICHild program from the line-item appropriation
20 associated with the program as described in the MICHild state plan
21 approved by the United States department of health and human
22 services, or from other medical services.

23 (8) The department shall assure that an external quality
24 review of each MICHild contractor, as described in subsection (5),
25 is performed, which analyzes and evaluates the aggregated
26 information on quality, timeliness, and access to health care
27 services that the contractor furnished to MICHild beneficiaries.

1 (9) The department shall develop an automatic enrollment
2 algorithm that is based on quality and performance factors.

3 (10) MICHild services shall include treatment for autism
4 spectrum disorders as defined in the federally approved Medicaid
5 state plan.

6 Sec. 1673. The department may establish premiums for MICHild
7 eligible individuals in families with income above 150% of the
8 federal poverty level. The monthly premiums shall not be less than
9 \$10.00 or exceed \$15.00 for a family.

10 Sec. 1677. The MICHild program shall provide all benefits
11 available under the Michigan benchmark plan that are delivered
12 through contracted providers and consistent with federal law,
13 including, but not limited to, the following medically necessary
14 services:

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

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

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

24 (d) Dental services as outlined in the approved MICHild state
25 plan.

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

1 treatment services.

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

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

5 (h) Emergency ambulance services.

6 Sec. 1682. (1) The department shall implement enforcement
7 actions as specified in the nursing facility enforcement provisions
8 of section 1919 of title XIX, 42 USC 1396r.

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

15 (3) The department is authorized to provide civil monetary
16 penalty funds to the disability network/Michigan to be distributed
17 to the 15 centers for independent living for the purpose of
18 assisting individuals with disabilities who reside in nursing homes
19 to return to their own homes.

20 (4) The department is authorized to use civil monetary penalty
21 funds to conduct a survey evaluating consumer satisfaction and the
22 quality of care at nursing homes. Factors can include, but are not
23 limited to, the level of satisfaction of nursing home residents,
24 their families, and employees. The department may use an
25 independent contractor to conduct the survey.

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

1 Sec. 1689. By April 30 of the current fiscal year, the
2 department shall provide a report to the senate and house
3 appropriations subcommittees on community health and the senate and
4 house fiscal agencies that presents the number of individuals
5 transitioned from nursing homes to the home- and community-based
6 services waiver program, the number of individuals enrolled into
7 the home- and community-based services waiver program from the
8 community, the number of unique individuals served, the number of
9 days of care provided during the fiscal year, the estimated average
10 cost per day, and the number of individuals on waiting lists for
11 the home- and community-based services waiver program as of
12 September 30 of the previous fiscal year.

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

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

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

27 (b) Reimburse participating school districts pursuant to the

1 fund-sharing ratios negotiated in the state-local agreements
2 authorized in subsection (1).

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

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

11 Sec. 1694. (1) From the funds appropriated in part 1 for
12 special Medicaid reimbursement, \$378,000.00 of general fund/general
13 purpose revenue and any associated federal match shall be
14 distributed for poison control services to an academic health care
15 system that includes a children's hospital that has a high indigent
16 care volume.

17 (2) By March 1 of the current fiscal year, the department
18 shall report to the senate and house appropriations subcommittees
19 on community health and the senate and house fiscal agencies on the
20 adequacy of the payment described in subsection (1).

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

1 (2) The department shall allocate \$45,000,000.00 in DSH
2 funding using the distribution methodology used in fiscal year
3 2003-2004.

4 (3) By September 30 of the current fiscal year, the department
5 shall report to the senate and house appropriations subcommittees
6 on community health and the senate and house fiscal agencies on the
7 new distribution of funding to each eligible hospital from the GME
8 and DSH pools.

9 Sec. 1724. The department shall allow licensed pharmacies to
10 purchase injectable drugs for the treatment of respiratory
11 syncytial virus for shipment to physicians' offices to be
12 administered to specific patients. If the affected patients are
13 Medicaid eligible, the department shall reimburse pharmacies for
14 the dispensing of the injectable drugs and reimburse physicians for
15 the administration of the injectable drugs.

16 Sec. 1740. From the funds appropriated in part 1 for health
17 plan services, the department shall assure that all GME funds
18 continue to be promptly distributed to qualifying hospitals using
19 the methodology developed in consultation with the graduate medical
20 education advisory group during fiscal year 2006-2007.

21 Sec. 1756. The department shall develop a plan to expand and
22 improve the beneficiary monitoring program. The department shall
23 submit this plan to the house and senate appropriations
24 subcommittees on community health, the house and senate fiscal
25 agencies, and the state budget director by April 1 of the current
26 fiscal year.

27 Sec. 1757. The department shall direct the department of human

1 services to obtain proof from all Medicaid recipients that they are
2 legal United States citizens or otherwise legally residing in this
3 country and that they are residents of this state before approving
4 Medicaid eligibility.

5 Sec. 1764. (1) The department shall annually certify rates
6 paid to Medicaid health plans and specialty prepaid inpatient
7 health plans as being actuarially sound in accordance with federal
8 requirements and shall provide a copy of the rate certification and
9 approval immediately to the house and senate appropriations
10 subcommittees on community health and the house and senate fiscal
11 agencies. The department shall require all Medicaid policy
12 bulletins affecting Medicaid health plans issued after the federal
13 approval of rates to include an economic analysis demonstrating
14 that the approved rates will not be compromised due to the new
15 policy.

16 (2) To fully implement actuarial soundness, the department
17 shall include language in the contract between this state and
18 Medicaid health plans that provides that this state will annually
19 reimburse the contractor the full cost of all taxes imposed by this
20 state and the federal government, including the health insurer fee
21 that the contractor incurs and becomes obligated to pay under
22 section 9010 of the patient protection and affordable care act,
23 Public Law 111-148, as amended by the health care and education
24 reconciliation act of 2010, Public Law 111-152, due to its receipt
25 of Medicaid premiums pursuant to the contract. For purposes of this
26 subsection, the full cost of the health insurer fee includes both
27 the health insurer fee and the allowance to reflect the federal

1 income tax.

2 Sec. 1770. Pursuant to the consultation requirements of the
3 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except
4 as otherwise provided in this section, the department shall attempt
5 to make the effective date for a proposed Medicaid policy bulletin
6 or adjustment to the Medicaid provider manual on October 1, January
7 1, April 1, or July 1 after the end of the consultation period. The
8 department may provide an effective date for a proposed Medicaid
9 policy bulletin or adjustment to the Medicaid provider manual other
10 than provided for in this section if necessary to be in compliance
11 with federal or state law, regulations, or rules or with an
12 executive order of the governor.

13 Sec. 1775. If the state's application for a waiver to
14 implement managed care for dual Medicare/Medicaid eligibles is
15 approved by the federal government, the department shall provide
16 quarterly reports to the senate and house appropriations
17 subcommittees on community health and the senate and house fiscal
18 agencies on progress in implementing the waiver.

19 Sec. 1777. From the funds appropriated in part 1 for long-term
20 care services, the department shall permit, in accordance with
21 applicable federal and state law, nursing homes to use dining
22 assistants to feed eligible residents if legislation to permit the
23 use of dining assistants is enacted into law. The department shall
24 not be responsible for costs associated with training dining
25 assistants.

26 Sec. 1804. The department, in cooperation with the department
27 of human services and the department of military and veterans

Senate Bill No. 763 as amended May 6, 2014

1 affairs, shall work with the federal public assistance reporting
2 information system to identify Medicaid recipients who are veterans
3 and who may be eligible for federal veterans health care benefits
4 or other benefits.

<<Sec. 1815. From the funds appropriated in part 1 for health plan
services, the department shall not implement a capitation withhold as
part of the overall capitation rate schedule that exceeds the 0.19%
withhold administered during fiscal year 2008-2009.>>

5 Sec. 1820. (1) In order to avoid duplication of efforts, the
6 department shall utilize applicable national accreditation review
7 criteria to determine compliance with corresponding state
8 requirements for Medicaid health plans that have been reviewed and
9 accredited by a national accrediting entity for health care
10 services.

11 (2) Upon submission by Medicaid health plans of a listing of
12 program requirements that are part of the state program review
13 criteria but are not reviewed by an applicable national accrediting
14 entity, the department shall review the listing and provide a
15 recommendation to the house and senate appropriations subcommittees
16 on community health, the house and senate fiscal agencies, and the
17 state budget office as to whether or not state program review
18 should continue. The Medicaid health plans may request the
19 department to convene a workgroup to fulfill this section.

20 (3) The department shall continue to comply with state and
21 federal law and shall not initiate an action that negatively
22 impacts beneficiary safety.

23 (4) As used in this section, "national accrediting entity"
24 means the national committee for quality assurance, the utilization
25 review accreditation committee, or other appropriate entity, as
26 approved by the department.

27 (5) By July 1 of the current fiscal year, the department shall

1 provide a progress report to the house and senate appropriations
2 subcommittees on community health, the house and senate fiscal
3 agencies, and the state budget office on implementation of this
4 section.

5 Sec. 1832. (1) The department shall continue efforts to
6 standardize billing formats, referral forms, electronic
7 credentialing, primary source verification, electronic billing and
8 attachments, claims status, eligibility verification, and reporting
9 of accepted and rejected encounter records received in the
10 department data warehouse.

11 (2) The department shall convene a workgroup on
12 standardization for the Medicaid program. The workgroup shall
13 include representatives from medical provider organizations,
14 Medicaid HMOs, the Michigan association of health plans, and the
15 department. The department shall report to the legislature on the
16 findings of the workgroup by April 1 of the current fiscal year.

17 (3) The department shall provide a report by April 1 of the
18 current fiscal year to the senate and house appropriations
19 subcommittees on community health and the senate and house fiscal
20 agencies detailing the percentage of claims for Medicaid
21 reimbursement provided to the department that were initially
22 rejected in the first quarter of fiscal year 2013-2014 and the
23 percentage of Medicaid health plan encounters rejected during the
24 same period.

25 Sec. 1835. The department shall further enhance encounter data
26 reporting processes through the current encounter data quality
27 initiative that would do all of the following:

1 (a) Make each health plan's encounter data as complete as
2 possible.

3 (b) Provide a fair measure of acuity for each health plan's
4 enrolled population for risk adjustment purposes, capitation rate
5 setting, DRG rate setting, and research and analysis of program
6 efficiencies while minimizing health plan administrative expense.

7 Sec. 1837. The department shall explore utilization of
8 telemedicine and telepsychiatry as strategies to increase access to
9 services for Medicaid recipients in medically underserved areas.

10 Sec. 1842. (1) Subject to the availability of funds, the
11 department shall adjust the hospital outpatient Medicaid
12 reimbursement rate for qualifying hospitals as provided in this
13 section. The Medicaid reimbursement rate for qualifying hospitals
14 shall be adjusted to provide each qualifying hospital with its
15 actual cost of delivering outpatient services to Medicaid
16 recipients.

17 (2) As used in this section, "qualifying hospital" means a
18 hospital that has not more than 50 staffed beds and is either
19 located outside a metropolitan statistical area or in a
20 metropolitan statistical area but within a city, village, or
21 township with a population of not more than 12,000 according to the
22 official 2000 federal decennial census and within a county with a
23 population of not more than 165,000 according to the official 2000
24 federal decennial census.

25 Sec. 1846. (1) The department shall conduct research on the
26 effectiveness of graduate medical education funding.

27 (2) The research shall do all of the following:

Senate Bill No. 763 as amended May 6, 2014

1 (a) Identify physician shortages by practice and geographic
2 area.

3 (b) Consider efforts by other states to use graduate medical
4 education funding to address shortages.

5 (c) Consider policy changes to the graduate medical education
6 program to reduce practitioner shortages.

7 (3) The department shall report the results of the research to
8 the senate and house appropriations subcommittees on community
9 health, the senate and house fiscal agencies, and the state budget
10 director by April 1 of the current fiscal year.

11 Sec. 1847. The department shall create a structure for an
12 ambulance quality assurance assessment program in consultation with
13 the Michigan association of ambulance services by April 1 of the
14 current fiscal year.

<<Sec. 1848. It is the intent of the legislature that the healthy
kids dental program be expanded in fiscal year 2015-2016 to cover Kent,
Oakland, and Wayne counties.>>

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

22 Sec. 1854. The department shall work with a provider of kidney
23 dialysis services and renal care as authorized under section 2703
24 of the patient protection and affordable care act, Public Law 111-
25 148, to develop a chronic condition health home program for
26 Medicaid enrollees identified with chronic kidney disease and who
27 are beginning dialysis. When initiated, the department shall

1 develop metrics that evaluate program effectiveness and submit a
2 report by June 1 of the current fiscal year to the senate and house
3 appropriations subcommittees on community health. Metrics shall
4 include cost savings and clinical outcomes.

5 Sec. 1855. The department may develop alternatives to
6 emergency department utilization for nonemergent beneficiaries.
7 Such alternatives may be coordinated with Medicaid health plans and
8 the Michigan association of health plans.

9 Sec. 1857. It is the intent of the legislature that the
10 department not reduce Medicaid reimbursement for wheelchairs.

11 Sec. 1858. Medicaid services shall include treatment for
12 autism spectrum disorders as defined in the federally approved
13 Medicaid state plan. Such alternatives may be coordinated with the
14 Medicaid health plans and the Michigan association of health plans.

15 Sec. 1861. (1) The department shall conduct a review of the
16 efficiency and effectiveness of the current nonemergency
17 transportation system funded in part 1. For nonemergency
18 transportation services provided outside the current broker
19 coverage, the review is contingent on available detailed travel
20 data, including methods of travel, number of people served, travel
21 distances, number of trips, and costs of trips. The department
22 shall report the results of the review required under this
23 subsection to the house and senate appropriations subcommittees on
24 community health and the house and senate fiscal agencies no later
25 than September 30 of the current fiscal year.

26 (2) The department shall create a pilot nonemergency
27 transportation system in at least 2 counties with priority given to

1 Berrien and Muskegon Counties to provide nonemergency
2 transportation services encouraging use of nonprofit entities. The
3 transportation providers selected by the department are responsible
4 for ensuring that federal and state safety and training standards
5 are met.

6 Sec. 1862. From the funds appropriated in part 1, the
7 department shall increase payment rates for Medicaid obstetrical
8 services to medicare levels effective October 1, 2014.

9 Sec. 1865. Upon federal approval of the department's proposal
10 for integrated care for individuals who are dual Medicare/Medicaid
11 eligibles, the department shall provide the senate and house
12 appropriations subcommittees on community health and the senate and
13 house fiscal agencies its plan and organizational chart for
14 administering and providing oversight of this proposal. The plan
15 shall include information on how the department intends to organize
16 staff in an integrated manner to ensure that key components of the
17 proposal are implemented effectively.

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

25 (2) No hospital or hospital system shall receive more than
26 5.0% of the total funding referenced in subsection (1).

27 (3) To allow hospitals to understand their rural payment

1 amounts under this section, the department shall provide hospitals
2 with the methodology for distribution under this section and
3 provide each hospital with its applicable data that are used to
4 determine the payment amounts by August 1 of the current fiscal
5 year. The department shall publish the distribution of payments for
6 the current fiscal year and the immediately preceding fiscal year.

7 (4) The department shall report to the senate and house
8 appropriations subcommittees on community health and the senate and
9 house fiscal agencies on the distribution of funds referenced in
10 subsection (1) by April 1 of the current fiscal year.

11 Sec. 1870. The department shall work in collaboration with
12 Michigan-based medical schools that choose to participate in the
13 creation of a graduate medical education consortium known as
14 MIDocs. The purpose of MIDocs is to develop freestanding residency
15 training programs in primary care and other ambulatory care-based
16 specialties. MIDocs shall design residency training programs to
17 address physician shortage needs in this state, including placing
18 physicians post-residency in underserved communities across this
19 state. MIDocs shall give special consideration to small and rural
20 hospitals with a GME program director. MIDocs' voting members will
21 include any Michigan-based university with a medical school or an
22 affiliated faculty practice physician group that is making a
23 substantial contribution to MIDocs programs. The department shall
24 be a permanent nonvoting member of MIDocs. The department, in
25 collaboration with MIDocs voting members, may also appoint
26 nonvoting members to MIDocs to represent various stakeholders. As
27 the sponsoring institution and fiduciary, MIDocs shall assure

1 initial and continued accreditation from the accreditation council
2 for graduate medical education or ACGME, financial accountability,
3 clinical quality, and compliance. The department shall require an
4 annual report from MIDocs detailing per resident costs for medical
5 training and clinical quality measures. The department shall create
6 MIDocs no later than January 10, 2015. MIDocs shall provide the
7 department with a report proposing the creation of new residency
8 programs and an actionable plan for retaining consortium related
9 students post-residency, especially in underserved communities.
10 From the funds appropriated in part 1, \$500,000.00 is allocated to
11 prepare the report, legally create the consortium, prepare to
12 obtain ACGME accreditation, and develop new residency programs.

13 Sec. 1871. From the amounts appropriated in part 1,
14 \$500,000.00 is appropriated to create the infrastructure necessary
15 for new options for physician residencies in this state. The
16 department shall use the funds to support the creation of new
17 sponsoring bodies for physician residency in underserved areas. The
18 department shall use 50% of the funding to create a consortium of
19 medical schools as a sponsoring body for physician residency and
20 50% of the funding to develop family practice and primary care
21 residency programs at hospitals with fewer than 100 beds.

22 Sec. 1872. The department shall create a pilot program to
23 prevent or reduce the costs associated with lower extremity
24 diabetic care, ulcerations, and amputations. The department shall
25 work with the Michigan podiatric medical association to improve the
26 quality of lower extremity diabetic care.

27 Sec. 1873. The department shall work to implement the findings

1 of the workgroup established to discuss new ways to distribute
2 hospital funding through the Michigan access to care initiative,
3 the hospital rate adjustor payments, and the quality assurance
4 assessment program. The department shall report to the senate and
5 house subcommittees on community health on the findings of the
6 workgroup by April 1 of the current fiscal year.

7 Sec. 1874. The department may explore ways to work with
8 private providers to develop fraud management solutions to reduce
9 fraud, waste, and abuse in this state's Medicaid program.

10 Sec. 1875. The department shall continue the expansion of
11 home- and community-based services and continue to seek enhanced
12 match funding pursuant to federal law.

13 Sec. 1878. In any project negotiated with the federal
14 government for integrated health care of individuals dually
15 enrolled in Medicaid and Medicare, the department shall seek to
16 assure the existence of an ombudsman program that is not associated
17 with any project service manager or provider. For activities to be
18 undertaken by the ombudsman program, the department shall include,
19 but is not limited to, assisting beneficiaries with navigating
20 complaint and dispute resolution mechanisms, identifying problems
21 in the project's complaint and dispute resolution mechanisms, and
22 reporting to the executive and legislative branches on any such
23 problems and potential solutions for them.

24 Sec. 1879. In any program of integrated service for persons
25 dually enrolled in Medicaid and Medicare that the department
26 negotiates with the federal government, the department shall seek
27 to use the Medicare Part D benefit for prescription drug coverage.

1 Sec. 1881. The department shall create a default eligibility
2 and enrollment determination for newborns so that newborns are
3 assigned to the same Medicaid health plan as the mother at the time
4 of birth.

5 Sec. 1883. For the purposes of more effectively managing
6 inpatient care for Medicaid health plans and Medicaid fee-for-
7 service, the department shall consider developing an appropriate
8 policy and rate for observation stays.

9 Sec. 1886. The department shall work in conjunction with the
10 workgroup established by the department of human services to
11 determine how the state can maximize Medicaid claims for community-
12 based and outpatient treatment services to foster care children and
13 adjudicated youths who are placed in community-based treatment
14 programs. The department shall report to the senate and house
15 appropriations subcommittees on community health, the senate and
16 house fiscal agencies, the senate and house policy offices, and the
17 state budget office by March 1 of the current fiscal year on the
18 findings of the workgroup.

19 Sec. 1887. The department shall work with the Michigan
20 association of health plans in the development and implementation
21 of strategies for the use of information technology services for a
22 variety of Medicaid research activities. This state's data
23 warehouse shall be a user-friendly tool for the research functions
24 following all privacy and security regulations.

25 Sec. 1888. The department shall establish contract performance
26 standards for Medicaid health plans 3 months in advance of the
27 implementation of those standards. The determination of whether

1 performance standards have been met shall be based on recognized
2 concepts such as 1-year continuous enrollment and the healthcare
3 effectiveness data and information set, HEDIS, audited data.

4 Sec. 1889. (1) The department shall establish and implement a
5 bid process to identify a single contractor to provide Medicaid
6 covered nonemergency transportation services in no fewer than 2 of
7 the prosperity regions identified and defined by the department of
8 technology, management, and budget.

9 (2) The department shall reimburse mileage for nonemergency
10 transportation at a rate that encourages contractors to
11 participate.

12 (3) The competitively selected contractor shall be a nonprofit
13 organized and operated exclusively for the tax exempt purposes set
14 forth in section 501(c)(3) of the internal revenue code of 1986, 26
15 USC 501, and must meet or exceed the quality and safety standards
16 required under federal and state law for public transportation
17 agencies, including, but not limited to, ongoing training
18 requirements for motor vehicle operators.

19 Sec. 1890. The department shall ensure Medicaid recipients
20 access to breast pumps to support and encourage breastfeeding. The
21 department shall adjust Medicaid policy to, at a minimum, provide
22 an individual double electric style pump to a breastfeeding mother
23 when a physician prescribes such a device based on diagnosis of
24 mother or infant. If the distribution method for pumps or other
25 equipment is a department contract with durable medical equipment
26 providers, the department shall guarantee providers stock and rent
27 to Medicaid recipients without delay or undue restriction.

1 Sec. 1891. (1) The department shall ensure, in counties where
2 program of all-inclusive care for the elderly or PACE services are
3 available, that PACE is included as an option in all options
4 counseling and enrollment brokering for aging services and managed
5 care programs. Such options counseling must include approved
6 marketing and discussion materials.

7 (2) The department shall seek approval from the federal
8 centers for Medicare and Medicaid services for the use of
9 alternative care settings, as described in 42 CFR, 460.98(c), when
10 the needs of at least 10 individuals can be met in this single
11 additional setting by an established PACE provider.

12 (3) The department shall establish a workgroup to address PACE
13 program issues as identified within the state contract with PACE
14 providers. The workgroup shall, at a minimum, address all of the
15 following concerns:

- 16 (a) Contract consistency across program providers.
- 17 (b) Approved technical assistance providers.
- 18 (c) Timely eligibility processing.
- 19 (d) Section C reporting requirements.
- 20 (e) Interdisciplinary team assessment plan requirements.
- 21 (f) Barriers to new enrollment.
- 22 (g) Future expansion criteria.

23 Sec. 1892. The department shall conduct a workgroup jointly
24 with the department of human services, the department of
25 transportation, the department of corrections, the strategic fund
26 in the department of treasury, and members from both the senate and
27 house of representatives to determine how the state can maximize

1 its services and funding for transportation for low-income,
2 elderly, and disabled individuals through consolidating all of the
3 current transportation services for these populations under 1
4 department.

5 Sec. 1893. (1) By December 1 of the current fiscal year, the
6 department, jointly with the department of human services, shall
7 submit a waiver request to the United States government to provide
8 Medicaid coverage to children in need of secure residential
9 treatment in this state. The department shall include in the waiver
10 request a plan to provide secure stabilization services,
11 assessment, and treatment. The department shall include in the
12 waiver request recommendations to make 1 or more of the public
13 juvenile detention facilities or private secure residential
14 facilities eligible to be Medicaid providers. To the extent
15 feasible, the department shall use in the waiver request the
16 Medicaid reimbursement model that is currently in place in Vermont
17 at the Woodside juvenile rehabilitation center.

18 (2) The department shall collaborate with the department of
19 human services to submit to the senate and house appropriations
20 subcommittees on the department budget, the senate and house fiscal
21 agencies, the senate and house policy offices, and the state budget
22 office by December 15 of the current fiscal year a copy of the
23 waiver request described in subsection (1).

24 (3) The department shall collaborate with the department of
25 human services to submit to the senate and house appropriations
26 subcommittees on the department budget, the senate and house fiscal
27 agencies, the senate and house policy offices, and the state budget

1 office by March 1 of the current fiscal year a report on the status
2 of the Medicaid waiver request described in subsection (1).

3 Sec. 1895. From the funds appropriated in part 1 for medical
4 services, the department is authorized to make a disproportionate
5 share payment of \$6,500,000.00 in general fund/general purpose
6 revenue and any associated federal match for the final year of a
7 general fund/general purpose payment for Hutzell Hospital.

8 Sec. 1896. (1) From the funds appropriated in part 1, the
9 department shall take steps to identify the impact of gestational
10 diabetes and reduce the impact of the condition on the Medicaid
11 program. These steps shall include all of the following:

12 (a) Reviewing Medicaid claims information and data to
13 determine the average cost of a case of gestational diabetes in
14 comparison to the cost of a noncomplicated pregnancy and the cost
15 of pregnancy for a woman with gestational diabetes.

16 (b) Determining the percentage and number of pregnant women
17 screened for gestational diabetes per established medical criteria.

18 (c) Determining the percentage and number of pregnant women
19 diagnosed with gestational diabetes in the Medicaid program each
20 year in comparison to all pregnant women in the Medicaid program.

21 (2) By September 30 of the current fiscal year, the department
22 shall submit a report to the legislature on steps taken and
23 proposed to increase the screening rate for gestational diabetes in
24 the Medicaid program, to reduce the number of women with
25 undiagnosed gestational diabetes giving birth in the Medicaid
26 program, to increase the number of pregnant women with gestational
27 diabetes receiving appropriate medical care in the Medicaid

1 program, and steps taken to improve the health of unborn and
2 newborn children of women diagnosed with gestational diabetes.

3 Sec. 1897. (1) From the funds appropriated in part 1, the
4 department shall take steps to identify the performance of the
5 Medicaid program on all diabetes-specific performance measures as
6 measured by the national committee for quality assurance and the
7 utilization review accreditation commission. These steps shall
8 include:

9 (a) Reviewing Medicaid claims information and data to
10 determine the performance of the Medicaid program's fee for service
11 and managed care plans for diabetes-specific and diabetes-related
12 measures as assessed by the national committee for quality
13 assurance and the utilization review accreditation commission over
14 the past 5 years.

15 (b) Comparing the claims information and data to the national
16 averages for diabetes-specific and diabetes-related measures as
17 assessed by the national committee for quality assurance and the
18 utilization review accreditation commission over the past 5 years.

19 (c) Identifying areas of strength and deficiencies for these
20 measures specific to the Medicaid program.

21 (2) By September 30 of the current fiscal year, the department
22 shall submit a report on steps taken and proposed to improve
23 national committee for quality assurance and utilization review
24 accreditation commission measure scores for all forms of diabetes
25 within the Medicaid program to the legislature.

26 Sec. 1898. By December 1 of the current fiscal year, the
27 department shall report to the senate and house appropriations

1 subcommittees on community health and the senate and house fiscal
2 agencies on the status and effectiveness of the contract for
3 hospital admissions review and certification that was executed on
4 January 1, 2010. The report shall include an explanation and review
5 of the effectiveness of services provided under the contract, the
6 current status of the department's contract for hospital admission
7 review and certification, and the department's intent to issue a
8 request for proposals for vendors interested in providing hospital
9 admission review and certification.

10 Sec. 1899. From the funds appropriated in part 1 for personal
11 care services, the department shall increase the personal care
12 services rate by 6% effective October 1 of the current fiscal year.

13 **ONE-TIME APPROPRIATIONS**

14 Sec. 1902. From the funds appropriated in part 1 for
15 university autism centers and services, the department shall make
16 the following allocations:

17 (a) \$1,000,000.00 to the Eastern Michigan University autism
18 center.

19 (b) \$500,000.00 to the Central Michigan University central
20 assessment lending library.

21 (c) \$500,000.00 to the Oakland University center for autism
22 research, education, and support.

23 (d) \$1,000,000.00 to the Western Michigan University autism
24 center of excellence.

25 (e) \$1,000,000.00 to Michigan State University autism
26 services.

1 (f) \$1,500,000.00 to the autism alliance for autism support
2 services designed to aid individuals and families in choosing
3 treatment and other service options.

4 PART 2A

5 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

6 FOR FISCAL YEAR 2015-2016

7 GENERAL SECTIONS

8 Sec. 2001. It is the intent of the legislature to provide
9 appropriations for the fiscal year ending on September 30, 2016 for
10 the line items listed in part 1. The fiscal year 2015-2016
11 appropriations are anticipated to be the same as those for fiscal
12 year 2014-2015, except that the line items will be adjusted for
13 changes in caseload and related costs, federal fund match rates,
14 economic factors, and available revenue. These adjustments will be
15 determined after the January 2015 consensus revenue estimating
16 conference.