

SENATE BILL No. 964

EXECUTIVE BUDGET BILL

February 3, 2000, Introduced by Senators GOUGEON, SCHWARZ, JOHNSON and
A. SMITH and referred to the Committee on Appropriations.

A bill to make appropriations for the department of community health and certain state purposes related to aging, mental health, public health, and medical services for the fiscal year ending September 30, 2001; to provide for the expenditure of such appropriations; to create funds; to provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the department of

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community health for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0
Full-time equated classified positions	6,256.1
Average population	1,528.0
GROSS APPROPRIATION	\$6,186,113,000

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	72,087,300
ADJUSTED GROSS APPROPRIATION	\$6,114,025,700

Federal revenues:

Total federal revenues	3,136,326,100
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Special revenue funds:

Total local revenues	910,110,400
Total private funds	49,649,300
Total other state restricted revenues	348,689,500
State general fund/general purpose	\$1,669,250,400

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions	6.0
Full-time equated classified positions	514.7
Director and other unclassified -6.0 FTE positions	\$ 570,100
Community health advisory council	28,900
Departmental administration and management -491.7 FTE positions	55,428,000
Certificate of need program administration 13.0 FTE positions	918,400
Workers' compensation program 1.0 FTE position	11,512,500
Rent and building occupancy	8,715,200
Developmental disabilities council and projects -9.0 FTE positions	<u>2,734,200</u>
GROSS APPROPRIATION	\$ 79,907,300

1 Appropriated from:

2 Interdepartmental grant revenues:

3 Interdepartmental grant from the department of treasury,

4 Michigan state hospital finance authority . . . 98,800

5 Federal revenues:

6 Total federal revenues 24,409,600

7 Special revenue funds:

8 Private funds 35,900

9 Total other state restricted revenues 3,559,900

10 State general fund/general purpose \$ 51,803,100

11 **Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION**
12 **AND SPECIAL PROJECTS**

13 Full-time equated classified positions . . . 103.0

14 Mental health/substance abuse program

15 administration- 103.0 FTE positions \$ 10,510,500

16 Consumer involvement program 314,100

17 Gambling addiction 3,000,000

18 Protection and advocacy services support 818,300

19 Mental health initiatives for older persons . . . 1,615,800

20 Community residential and support services . . . 5,646,800

21 Highway safety projects 2,337,200

22 Federal and other special projects 6,977,200

23 GROSS APPROPRIATION \$ 31,219,900

24 Appropriated from:

25 Federal revenues:

26 Total federal revenues: 11,548,100

27 Special revenue funds:

28 Total private revenues 125,000

29 Total other state restricted revenues 3,182,300

30 State general fund/general purpose \$ 16,364,500

31 **Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES**
32 **PROGRAMS**

33 Full-time equated classified positions . . . 4.0

34 Medicaid mental health services \$1,190,201,500

35 Community mental health non-Medicaid services . . 311,801,500

1	Multicultural services	3,560,000
2	Medicaid substance abuse services	24,851,000
3	Respite services	3,318,600
4	CMHSP, purchase of state services contracts . . .	166,152,500
5	Civil service charges	2,606,400
6	Federal mental health block grant- 2.0 FTE	
7	positions	10,849,900
8	Pilot projects in prevention for	
9	adults and children- 2.0 FTE positions	994,700
10	State disability assistance program substance	
11	abuse services	6,600,000
12	Community substance abuse prevention, education	
13	and treatment programs	<u>83,740,400</u>
14	GROSS APPROPRIATION	\$1,804,676,500
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	757,393,500
18	Special revenue funds:	
19	Total other state restricted revenues	6,342,400
20	State general fund/general purpose	\$1,040,940,600
21	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH	
22	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH	
23	SERVICES	
24	Total average population	1,528.0
25	Full-time equated classified positions	4,699.0
26	Caro regional mental health center-psychiatric hospital-	
27	adult- 518.0 FTE positions	\$ 35,643,500
28	Average population	200.0
29	Kalamazoo psychiatric hospital-adult -376.0 FTE	
30	positions	27,080,300
31	Average population	125.0
32	Northville psychiatric hospital-adult -862.0 FTE	
33	positions	63,889,500
34	Average population	385.0
35	Walter P. Reuther psychiatric hospital-adult -440.0	

1	FTE positions	33,666,800
2	Average population 215.0	
3	Hawthorn center-psychiatric hospital-children	
4	and adolescents- 330.0 FTE positions	23,098,800
5	Average population 118.0	
6	Mount Pleasant center-developmental disabilities--	
7	472.0 FTE positions	29,878,000
8	Average population 195.0	
9	Southgate center-developmental disabilities -228.0	
10	FTE positions	15,589,900
11	Average population 80.0	
12	Center for forensic psychiatry -522.0 FTE positions	39,151,000
13	Average population 210.0	
14	Forensic mental health services provided to the	
15	department of corrections- 938.0 FTE positions	71,380,700
16	Revenue recapture	750,000
17	IDEA, federal special education	92,000
18	Special maintenance and equipment	879,000
19	Purchase of medical services for residents of	
20	hospitals and centers	1,700,000
21	Closed site, transition, and related costs -13.0	510,300
22	FTE positions	
23	Severance pay	896,000
24	Gifts and bequests for patient living and treatment	
25	environment	<u>2,000,000</u>
26	GROSS APPROPRIATION	\$ 346,205,800
27	Appropriated from:	
28	Interdepartmental grant revenues:	
29	Interdepartmental grant from the department of	
30	corrections	71,380,700
31	Federal revenues:	
32	Total federal revenues	32,733,700
33	Special revenue funds:	
34	CMHSP-Purchase of state services contracts . . .	166,152,500
35	Other local revenues	16,503,700

1	Private funds	2,000,000
2	Total other state restricted revenues	16,405,300
3	State general fund/general purpose \$	41,029,900
4	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
5	Full-time equated classified positions . . . 88.3	
6	Executive administration-- 15.5 FTE positions . . \$	1,367,100
7	Minority health grants and contracts	650,000
8	Vital records and health statistics- 72.8 FTE	
9	positions	<u>6,167,700</u>
10	GROSS APPROPRIATION \$	8,184,800
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	Interdepartmental grant from family independence	
14	agency	137,800
15	Federal revenues:	
16	Total federal revenue	2,809,800
17	Special revenue funds:	
18	Total other state restricted revenues	2,036,600
19	State general fund/general purpose \$	3,200,600
20	Sec. 107. INFECTIOUS DISEASE CONTROL	
21	Full-time equated classified positions . . . 44.3	
22	AIDS prevention, testing and care programs -9.8 FTE	
23	positions \$	22,218,400
24	Immunization local agreements	14,190,300
25	Immunization program management and field	
26	support- 7.7 FTE positions	1,698,900
27	Sexually transmitted disease control local	
28	agreements	2,460,700
29	Sexually transmitted disease control management and	
30	field support -26.8 FTE positions	<u>2,825,800</u>
31	GROSS APPROPRIATION \$	43,394,100
32	Appropriated from:	
33	Federal revenues:	
34	Total federal revenues	29,306,600
35	Special revenue funds:	

1	Private funds	1,155,000
2	Total other state restricted revenues	6,937,700
3	State general fund/general purpose \$	5,994,800
4	Sec. 108. LABORATORY SERVICES	
5	Full-time equated classified positions . . 118.2	
6	Laboratory services- 118.2 FTE positions \$	12,566,100
7	Lyme disease	<u>75,000</u>
8	GROSS APPROPRIATION \$	12,641,100
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	Interdepartmental grant from environmental	
12	quality	389,400
13	Federal revenues:	
14	Total federal revenues	2,028,000
15	Special revenue funds:	
16	Total other state restricted revenues	3,607,400
17	State general fund/general purpose \$	6,616,300
18	Sec. 109. EPIDEMIOLOGY	
19	Full-time equated classified positions . . . 31.5	
20	AIDS surveillance and prevention program -7.0 FTE	
21	positions \$	1,772,800
22	Epidemiology administration -24.5 FTE positions .	5,330,900
23	Tuberculosis control and recalcitrant AIDS program	<u>498,300</u>
24	GROSS APPROPRIATION \$	7,602,000
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	Interdepartmental grant from the department	
28	of environmental quality	80,600
29	Federal revenues:	
30	Total federal revenues	4,679,100
31	Special revenue funds:	
32	Total other state restricted revenues	781,000
33	State general fund/general purpose \$	2,061,300
34	Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS	
35	Full-time equated classified positions . . . 3.0	

1	Implementation of 1933 PA 133, MCL 333.17015 . . .	\$	100,000
2	Lead abatement program -3.0 FTE positions		1,835,500
3	Local health services		462,300
4	Local public health operations		41,070,200
5	Medical services cost reimbursement to local		
6	health departments		1,800,000
7	Special populations health care		<u>620,600</u>
8	GROSS APPROPRIATION	\$	45,888,600
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		3,791,000
12	Special revenue funds:		
13	Total other state restricted revenues		243,500
14	State general fund/general purpose	\$	41,854,100
15	Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH		
16	PROMOTION		
17	Full-time equated classified positions . . . 33.7		
18	AIDS and risk reduction clearinghouse and media		
19	campaign	\$	2,001,000
20	Alzheimer's information network		440,000
21	Cancer prevention and control program -13.6		
22	FTE positions		12,505,100
23	Chronic disease prevention		1,967,400
24	Diabetes program--9.0 FTE positions		4,197,200
25	Morris J. Hood Wayne State University Diabetes		
26	Outreach		500,000
27	Early childhood collaborative secondary prevention		1,300,000
28	Employee wellness program grants (includes \$50.00		
29	per diem and expenses for the risk reduction and		
30	AIDS policy commission)		4,259,200
31	Health education, promotion, and research		
32	programs -2.9 FTE positions		1,318,100
33	Injury control intervention project		942,800
34	Physical fitness, nutrition, and health		1,250,000
35	Public health traffic safety coordination		115,000

1	School health and education programs	2,182,800
2	Smoking prevention program -6.2 FTE positions . .	8,073,800
3	Violence prevention -2.0 FTE positions	<u>3,235,500</u>
4	GROSS APPROPRIATION	\$ 44,287,900
5	Appropriated from:	
6	Federal revenues:	
7	Total federal funds	12,232,100
8	Special revenue funds:	
9	Total other state restricted revenues	28,855,800
10	State general fund/general purpose	\$ 3,200,000
11	Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES	
12	Full-time equated classified positions . . . 88.8	
13	Adolescent health care services	\$ 2,892,300
14	Childhood lead program- 5.0 FTE positions	1,397,800
15	Children's waiver home care program	21,713,700
16	Community living, children and families	
17	administration- 73.3 FTE positions	7,658,600
18	Dental programs	260,400
19	Dental programs for persons with developmental	
20	disabilities	151,000
21	Family planning local agreements	8,100,000
22	Family support subsidy	14,276,700
23	Housing and support services -1.0 FTE position .	4,830,900
24	Local MCH services	9,049,200
25	Migrant health care	166,100
26	Newborn screening follow-up and treatment	
27	services	2,123,400
28	Omnibus budget reconciliation act	
29	implementation -9.0 FTE positions	12,757,000
30	Pediatric AIDS prevention and control	985,300
31	Pregnancy prevention program	7,196,100
32	Prenatal care outreach and service	
33	delivery support	4,299,300
34	Southwest community partnership	2,247,300
35	Special projects -0.5 FTE positions	3,926,600

1	Sudden infant death syndrome program	<u>321,300</u>
2	GROSS APPROPRIATION	\$ 104,353,000
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenue	66,978,200
6	Special revenue funds:	
7	Private funds	261,100
8	Total other state restricted revenues	9,269,200
9	State general fund/general purpose	\$ 27,844,500
10	Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM	
11	Full-time equated classified positions . . .	42.0
12	WIC administration and special projects--42.0	
13	FTE positions	\$ 5,017,100
14	WIC program	<u>156,882,400</u>
15	GROSS APPROPRIATION	\$ 161,899,500
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenue	117,452,200
19	Special revenue funds:	
20	Total private revenue	44,447,300
21	State general fund/general purpose	\$ 0
22	Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
23	Full-time equated classified positions . . .	66.6
24	Children's special health care services	
25	administration- 66.6 FTE positions	\$ 5,434,400
26	Amputee program	184,600
27	Bequests for care and services	1,329,600
28	Case management services	3,923,500
29	Conveyor contract	559,100
30	Medical care and treatment	<u>130,005,400</u>
31	GROSS APPROPRIATION	\$ 141,436,600
32	Appropriated from:	
33	Federal revenues:	
34	Total federal revenue	66,177,100
35	Special revenue funds:	

1	Private-bequests	900,000
2	Total other state restricted revenues	4,048,500
3	State general fund/general purpose	\$ 70,311,000
4	Sec. 115. OFFICE OF DRUG CONTROL POLICY	
5	Full-time equated classified positions . . . 17.0	
6	Drug control policy -17.0 FTE positions	\$ 1,733,700
7	Anti-drug abuse grants	<u>25,800,000</u>
8	GROSS APPROPRIATION	\$ 27,533,700
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenue	27,354,100
12	State general fund/general purpose	\$ 179,600
13	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
14	Full-time equated classified positions . . . 9.0	
15	Grants administration services -9.0 FTE positions	\$ 1,033,800
16	Justice assistance grants	15,000,000
17	Crime victim rights services grants	<u>7,955,300</u>
18	GROSS APPROPRIATION	\$ 23,989,100
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues:	15,840,200
22	Special revenue funds:	
23	Total other state restricted revenues	7,641,200
24	State general fund/general purpose	\$ 507,700
25	Sec. 117. OFFICE OF SERVICES TO THE AGING	
26	Full-time equated classified positions . . . 40.5	
27	Commission (per diem \$50.00)	\$ 10,500
28	Office of services to aging administration -37.5	
29	FTE positions	4,070,300
30	Long-term care advisor -3.0 FTE positions	3,021,400
31	Community services	27,907,900
32	Nutrition services	28,248,000
33	Senior volunteer services	4,220,800
34	Senior citizen centers staffing and equipment . .	2,140,700
35	Employment assistance	2,748,000

1	DAG commodity supplement	7,200,000
2	Michigan pharmaceutical program	1,500,000
3	Respite care program	<u>7,100,000</u>
4	GROSS APPROPRIATION	\$ 88,167,600
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	40,954,200
8	Special revenue funds:	
9	Total private revenue	125,000
10	Tobacco settlement revenue	8,021,400
11	Total other state restricted revenues	4,100,000
12	State general fund/general purpose	\$ 34,967,000
13	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
14	Full-time equated classified positions	352.5
15	Medical services administration- 350.7 FTE	
16	positions	\$ 47,222,200
17	Data processing contractual services	100
18	Facility inspection contract-state police	132,800
19	MIChild administration	3,327,800
20	Michigan essential health care provider	1,229,100
21	Palliative and hospice care	700,000
22	Primary care services -1.8 FTE positions	<u>2,548,200</u>
23	GROSS APPROPRIATION	\$ 55,160,200
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues	35,296,300
27	Special revenue funds:	
28	Private funds	100,000
29	Total other state restricted revenues	1,463,300
30	State general fund/general purpose	\$ 18,300,600
31	Sec. 119. MEDICAL SERVICES	
32	Hospital disproportionate share payments	\$ 45,000,000
33	Medicare premium payments	130,895,000
34	Pharmaceutical services	279,207,900
35	Home health services	31,398,500

1	Transportation	7,825,900
2	Auxiliary medical services	71,650,000
3	Long term care services	1,153,380,400
4	Elder prescription insurance coverage	37,500,700
5	EPSDT and maternal and infant support services	
6	outreach	8,488,600
7	MICChild outreach	3,327,800
8	MICChild program	57,567,100
9	Personal care services	29,162,900
10	Maternal and child health	9,234,500
11	Adult home help	158,781,400
12	Social services to the physically disabled . . .	1,344,900
13	Subtotal basic medical services program	2,024,765,600
14	Wayne county medical program	44,012,800
15	School based services	142,782,300
16	State and local medical programs	56,724,200
17	Special adjustor payments	891,280,400
18	Subtotal special medical services payments . . .	<u>1,134,799,700</u>
19	GROSS APPROPRIATION	\$3,159,565,300
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	1,885,342,300
23	Special revenue funds:	
24	Local revenues	727,454,200
25	Private funds	500,000
26	Tobacco settlement revenue	48,000,000
27	Total other state restricted	194,194,000
28	State general fund/general purpose	\$ 304,074,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 2000-2001 is \$2,017,939,900.00 and state appropriations to be paid to local units of government are as follows:

1	DEPARTMENT OF COMMUNITY HEALTH		
2	Departmental administration and management . . .	\$	1,618,000
3	Pilot projects in prevention for adults and		
4	children		913,200
5	Community substance abuse prevention, education,		
6	and treatment programs		18,419,700
7	Medicaid substance abuse services		11,942,500
8	Medicaid mental health managed care		505,182,000
9	Community mental health non-Medicaid services . .		311,801,500
10	AIDS prevention, testing, and care program . . .		1,466,800
11	Sexually transmitted disease control local		
12	agreements		452,900
13	Special populations health care		29,600
14	Local public health operations		41,070,200
15	Cancer prevention and control program		397,000
16	Diabetes program		1,275,000
17	Employee wellness program grants		1,545,100
18	School health and education programs		2,000,000
19	Smoking prevention program		2,880,000
20	Adolescent health care services		1,358,000
21	Family planning local agreements		1,230,300
22	Homelessness formula grant program - state		
23	match		708,800
24	Local MCH services		246,100
25	OBRA implementation		2,459,100
26	Pregnancy prevention program		2,511,800
27	Prenatal care outreach and service		
28	delivery support		1,250,000
29	Case management services		1,433,200
30	Special adjustor payments		1,383,800
31	Hospital disproportionate share payments		18,000,000
32	Hospital services and therapy		17,559,300
33	Physician services		5,305,100
34	Pharmaceutical services		7,265,000
35	Home health services		1,195,200
36	Transportation		184,500

1	Community services	13,681,400
2	Nutrition services	12,363,000
3	Senior volunteer services	3,845,300
4	Michigan pharmaceutical program	140,000
5	Respite care program	2,000,000
6	Crime victim rights services grants	4,585,700
7	Total	\$ 999,699,100

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended for any quarter under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 202. The expenditures and funding sources authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 204. As used in this bill:

(a) "AIDS" means acquired immunodeficiency syndrome.

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

(c) "DAG" means the United States department of agriculture.

(d) "Disease management" means a comprehensive system that incorporates the patient, physician, and health plan into 1 system with the common goal of achieving desired outcomes for patients.

(e) "Department" means the Michigan department of community health.

(f) "DSH" means disproportionate share hospital.

(g) "EPIC" means Elder prescription insurance coverage program.

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

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

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

2 (k) "HIV" means human immunodeficiency virus.

3 (l) "HMO" means health maintenance organization.

4 (m) "IDEA" means individual disability education act.

5 (n) "MCH" means maternal and child health.

6 (o) "MSS/ISS" means maternal and infant support services.

7 (p) "OBRA" means the omnibus budget reconciliation act of 1987,
8 Public Law 100-203, 101 Stat. 1330.

9 (q) "Qualified health plan" means, at a minimum, an organization
10 that meets the criteria for delivering the comprehensive package of
11 services under the department's comprehensive health plan.

12 (r) "Title XVIII" means title XVIII of the social security act,
13 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395b-6
14 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u
15 to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy,
16 and 1395bbb to 1395ggg.

17 (s) "Title XIX" means title XIX of the social security act,
18 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396d, 1396f, 1396g-1 to
19 1396r-6, and 1396r-8 to 1396v.

20 (t) "WIC" means women, infants, and children supplemental
21 nutrition program.

22 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
23 the state classified civil service. State departments and agencies
24 are prohibited from hiring any new full-time state classified civil
25 service employees and prohibited from filling any vacant state
26 classified civil service positions. This hiring freeze does not apply
27 to internal transfers of classified employees from one position to
28 another within a department or to positions that are funded with 80%
29 or more federal or restricted funds.

30 (2) The state budget director shall grant exceptions to this
31 hiring freeze when the state budget director believes that the hiring
32 freeze will result in rendering a state department or agency unable to
33 deliver basic services. The state budget director shall report by the
34 30th of each month to the chairpersons of the senate and house of
35 representatives standing committees on appropriations the number of
36 exceptions to the hiring freeze approved during the previous month and

1 the reasons to justify the exception.

2 Sec. 206. If the revenue collected by the department from fees and
3 collections exceeds the amount appropriated in part 1, the revenue may
4 be carried forward with the approval of the state budget director
5 into the subsequent fiscal year. The revenue carried forward under
6 this section shall be used as the first source of funds in the
7 subsequent fiscal year.

8 Sec. 207. (1) From the amounts appropriated in part 1, no greater
9 than the following amounts are supported with federal maternal and
10 child health block grant, preventive health and health services block
11 grant, substance abuse block grant, healthy Michigan fund, and
12 Michigan health initiative funds:

13 (a) Maternal and child health block grant	\$ 20,977,000
14 (b) Preventive health and health services	
15 block grant	6,347,100
16 (c) Substance abuse block grant	61,371,200
17 (d) Healthy Michigan funds	42,714,100
18 (e) Michigan health initiative	9,900,800

19 (2) On or before February 1, 2001, the department shall report to
20 the house and senate appropriations subcommittees on community health,
21 the house and senate fiscal agencies, and the state budget director on
22 the detailed name and amounts of federal, restricted, private, and
23 local sources of revenue that support the appropriations in each of
24 the line items in part 1 of this bill.

25 (3) Upon the release of the fiscal year 2001-2002 executive budget
26 recommendation, the department shall report to the same parties in
27 subsection (2) on the amounts and detailed sources of federal,
28 restricted, private, and local revenue proposed to support the total
29 funds appropriated in each of the line items in part 1 of the fiscal
30 year 2001-2002 executive budget proposal.

31 (4) The department shall provide to the same parties in subsection
32 (2) all revenue source detail for consolidated revenue line item
33 detail upon request to the department.

34 Sec. 208. The state departments, agencies, and commissions
35 receiving tobacco tax funds from part 1 shall report by November 1,
36 2000 to the senate and house appropriations committees, the senate and

1 house fiscal agencies, and the state budget director on the following:

2 (a) Detailed spending plan by appropriation line item including
3 description of programs.

4 (b) Allocations from funds appropriated under these sections.

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

7 (d) Eligibility criteria for program participation and maximum
8 benefit levels where applicable.

9 (e) Outcome measures to be used to evaluate programs.

10 (f) Any other information deemed necessary by the house or senate
11 appropriations committees or the state budget director.

12 Sec. 209. The use of state restricted tobacco tax revenue received
13 for the purpose of tobacco prevention, education, and reduction
14 efforts and deposited in the healthy Michigan fund shall not be used
15 for lobbying as defined in 1978 PA472, MCL 4.411 to 4.431.

16 Sec. 210. The department of civil service shall bill departments
17 and agencies at the end of the first fiscal quarter for the 1% charge
18 authorized by section 5 of article XI of the state constitution of
19 1963. Payments shall be made for the total amount of the billing by
20 the end of the second fiscal quarter.

21 Sec. 211. (1) In addition to funds appropriated in part 1 for all
22 programs and services, there is appropriated for write-offs of
23 accounts receivable, deferrals, and for prior year obligations in
24 excess of applicable prior year appropriations, an amount equal to
25 total write-offs and prior year obligations, but not to exceed amounts
26 available in prior year revenues.

27 (2) The department's ability to satisfy appropriation deductions
28 in part 1 shall not be limited to collections and accruals pertaining
29 to services provided in fiscal year 2000-2001, but shall also include
30 reimbursements, refunds, adjustments, and settlements from prior
31 years.

32 Sec. 212. On or before the tenth of each month, the department
33 shall report to the senate and house appropriations subcommittees on
34 community health, the senate and house fiscal agencies, and the state
35 budget director on the amount of funding paid to the CMHSPs to support
36 the Medicaid managed mental health care program in that month. The

1 information shall include the total paid to each CMHSP, per capita
2 rate paid for each eligibility group for each CMHSP, and number of
3 cases in each eligibility group for each CMHSP.

4 Sec. 213. (1) In addition to the funds appropriated in part 1,
5 there is appropriated an amount not to exceed \$100,000,000.00 for
6 federal contingency funds. These funds are not available for
7 expenditure until they have been transferred to another line item in
8 this bill pursuant to section 393(2) of the management and budget act,
9 1984 PA 431, MCL 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$50,000,000.00 for state
12 restricted contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item in
14 this bill pursuant to section 393(2) of the management and budget act,
15 1984 PA 431, MCL 18.1393.

16 (3) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$50,000,000.00 for local
18 contingency funds. These funds are not available for expenditure
19 until they have been transferred to another line item in this bill
20 pursuant to section 393(2) of the management and budget act, 1984 PA
21 431, MCL 18.1393.

22 (4) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$10,000,000.00 for private
24 contingency funds. These funds are not available for expenditure
25 until they have been transferred to another line item in this bill
26 pursuant to section 393(2) of the management and budget act, 1984 PA
27 431, MCL 18.1393.

28 Sec. 214. Basic health services for the purpose of part 23 of the
29 public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are:
30 immunizations, communicable disease control, sexually transmitted
31 disease control, tuberculosis control, prevention of gonorrhea eye
32 infection in newborns, screening newborns for the 7 conditions listed
33 in section 5431(1)(a) through (g) of the public health code, 1978 PA
34 368, MCL 333.5431, community health annex of the Michigan emergency
35 management plan, and prenatal care.

36 Sec. 215. (1) The department may contract with the Michigan public

1 health institute for the design and implementation of projects and for
2 other public health related activities prescribed in section 2611 of
3 the public health code, 1978 PA 368, MCL 333.2611. The department may
4 develop a master agreement with the institute to carry out these
5 purposes for up to a 3-year period. The department shall report to
6 the house and senate appropriations subcommittees on community health,
7 the house and senate fiscal agencies, and the state budget director on
8 or before November 1, 2000 and May 1, 2001 all of the following:

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

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

13 (c) The expected project duration.

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

16 (2) If a report required under subsection (1) is not received by
17 the house and senate appropriations subcommittees on community health,
18 the house and senate fiscal agencies, and the state budget director on
19 or before the date specified for that report, the disbursement of
20 funds to the Michigan public health institute under this section shall
21 stop. The disbursement of those funds shall recommence when the
22 overdue report is received.

23 Sec. 216. All contracts with the Michigan public health institute
24 funded with appropriations in part 1 shall include a requirement that
25 the Michigan public health institute submit to financial and
26 performance audits by the state auditor general of projects funded
27 with state appropriations.

28 Sec. 217. Sixty days before beginning any effort to privatize, the
29 department shall submit a complete project plan to the appropriate
30 subcommittees of the senate and house of representatives standing
31 committees on appropriations and the senate and house fiscal agencies.
32 The plan shall include the criteria under which the privatization
33 initiative will be evaluated. The evaluation shall be completed and
34 submitted to the appropriate subcommittees of the senate and house of
35 representatives standing committees on appropriations and the senate
36 and house fiscal agencies within 30 months.

1 Sec. 218. The department of community health may establish and
2 collect fees for publications, videos and related materials,
3 conferences, and workshops. Collected fees shall be used to offset
4 expenditures to pay for printing and mailing costs of the
5 publications, videos and related materials, and costs of the workshops
6 and conferences. The costs shall not exceed fees collected.

7 Sec. 219. The department shall continue to pilot the use of the
8 Internet to fulfill the reporting requirements in this bill. This may
9 include transmission of reports via electronic mail to the recipients
10 identified for each reporting requirement, or it may include placement
11 of reports on the Internet or on the Intranet. The appropriations
12 subcommittee shall be notified in writing of the Internet/Intranet
13 site of any such report.

14 **DEPARTMENTWIDE ADMINISTRATON**

15 Sec. 301. From funds appropriated for worker's compensation, the
16 department may make payments in lieu of worker's compensation payments
17 for wage/salary and related fringe benefits for employees who return
18 to work under limited duty assignments.

19 Sec. 302. Funds appropriated in part 1 for the community health
20 advisory council may be used for member per diems of \$50.00 and other
21 council expenditures.

22 **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

23 Sec. 401. (1) From funds appropriated in part 1, final
24 authorizations to CMHSPs shall be made upon the execution of contracts
25 between the department and CMHSPs. The contracts shall contain an
26 approved plan and budget as well as policies and procedures governing
27 the obligations and responsibilities of both parties to the contracts.
28 Each contract with a CMHSP that the department is authorized to enter
29 into under this subsection shall include a provision that the contract
30 is not valid unless the total dollar obligation for all of the
31 contracts between the department and the CMHSPs entered into under
32 this subsection for fiscal year 2000-2001 does not exceed the amount
33 of money appropriated in part 1 for the contracts authorized under
34 this subsection.

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

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

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

5 (b) Any amendments to contracts with CMHSPs that would affect
6 rates or 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. 402. From the funds appropriated in part 1 for multicultural
11 services, the department shall ensure that CMHSPs continue contracts
12 with multicultural services providers.

13 Sec. 403. (1) Not later than May 31 of each fiscal year, the
14 department shall provide a report on the community mental health
15 services programs to the members of the house and senate
16 appropriations subcommittees on community health, the house and senate
17 fiscal agencies, and the state budget director which shall include
18 information required by this section.

19 (2) The report shall contain information for each community mental
20 health services board and a statewide summary, each of which shall
21 include at least the following information:

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

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

26 (c) Financial information which, minimally, shall include a
27 description of funding authorized; expenditures by client group and
28 fund source; and cost information by service category, including
29 administration. Service category shall include all department approved
30 services.

31 (d) Data describing service outcomes which shall include, but not
32 be limited to, an evaluation of consumer satisfaction, consumer
33 choice, and quality of life concerns including, but not limited to,
34 housing and employment.

35 (e) Information about access to community mental health services
36 programs which shall include, but not be limited to:

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

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

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

6 (g) An analysis of information provided by community mental health
7 service programs in response to the needs assessment requirements of
8 the mental health code.

9 (h) An estimate of the number of FTEs employed by CMHSPs or
10 contracted directly by the CMHSPs as of September 30, 2000 and an
11 estimate of the number of FTEs employed through contracts with
12 provider organizations as of September 30, 2000.

13 (i) Lapses and carryforwards during fiscal year 1999-2000 for
14 CMHSPs.

15 (j) Contracts for mental health services entered into by CMHSPs
16 with providers, including amounts and rates, organized by type of
17 service provided.

18 (k) Information on the community mental health Medicaid managed
19 care program, including, but not limited to:

20 (i) Expenditures by each CMHSP organized by Medicaid eligibility
21 group, including per eligible individual expenditure averages.

22 (ii) Performance indicator information required to be submitted to
23 the department in the contracts with CMHSPs.

24 (3) The department shall include data reporting requirements
25 listed in subsection (2) in the annual contract with each individual
26 CMHSP.

27 (4) The department shall take all reasonable actions to ensure
28 that the data required are complete and consistent among all CMHSPs.

29 Sec. 404. (1) The funds appropriated in part 1 for the state
30 disability assistance substance abuse services program shall be used
31 to support per diem room and board payments in substance abuse
32 residential facilities. Eligibility of clients for the state
33 disability assistance substance abuse services program shall include
34 needy persons 18 years of age or older, or emancipated minors, who
35 reside in a substance abuse treatment center.

36 (2) The department shall reimburse all licensed substance abuse

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

7 Sec. 405. (1) The amount appropriated in part 1 for substance
8 abuse prevention, education, and treatment grants shall be expended
9 for contracting with coordinating agencies or designated service
10 providers. It is the intent of the legislature that the coordinating
11 agencies or designated service providers work with the CMHSPs to
12 coordinate the care and services provided to individuals with both
13 mental illness and substance abuse diagnoses.

14 (2) The department shall establish a fee schedule for providing
15 substance abuse services and charge participants in accordance with
16 their ability to pay.

17 Sec. 406. (1) By April 15, 2001, the department shall report the
18 following data from fiscal year 1999-00 on substance abuse prevention,
19 education, and treatment programs to the senate and house
20 appropriations subcommittees on community health, the senate and house
21 fiscal agencies, and the state budget office:

22 (a) Expenditures stratified by coordinating agency, by central
23 diagnosis and referral agency, by fund source, by subcontractor, by
24 population served, and by service type. Additionally, data on
25 administrative expenditures by coordinating agency and by
26 subcontractor shall be reported.

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

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

33 (d) Collections from other first- or third-party payers, private
34 donations, or other state or local programs, by coordinating agency,
35 by subcontractor, by population served, and by service type.

36 (2) The department shall take all reasonable actions to ensure

1 that the required data reported are complete and consistent among all
2 coordinating agencies.

3 Sec. 407. The funding in part 1 for substance abuse services shall
4 be distributed in a manner so as to provide priority to service
5 providers which furnish child care services to clients with children.

6 Sec. 408. The department shall assure that substance abuse
7 treatment is provided to applicants and recipients of public
8 assistance through the family independence agency who are required to
9 obtain substance abuse treatment as a condition of eligibility for
10 public assistance.

11 Sec. 409. (1) The department shall ensure that each contract with
12 a CMHSP shall require the CMHSP to implement programs to encourage
13 diversions of persons with serious mental illness, serious emotional
14 disturbance, or developmental disability from possible jail
15 incarceration when appropriate.

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

26 Sec. 410. The department is authorized to implement a plan for
27 competitive procurement of managed medicaid mental health,
28 developmental disabilities, and substance abuse services, as well as
29 non-medicaid services, based upon an approved plan by the health care
30 financing administration.

31 **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL**
32 **DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

33 Sec. 501. (1) In funding of staff in the financial support
34 division, reimbursement, and billing and collection sections, priority
35 shall be given to obtaining third-party payments for services.
36 Collection from individual recipients of services and their families

1 shall be handled in a sensitive and nonharassing manner.

2 (2) The department shall continue a revenue recapture project to
3 generate additional revenues from third parties related to cases which
4 have been closed or are inactive. Revenues collected through project
5 efforts are appropriated to the department for departmental costs and
6 contractual fees associated with these retroactive collections and to
7 improve ongoing departmental reimbursement management functions so
8 that the need for retroactive collections will be reduced or
9 eliminated.

10 Sec. 502. Unexpended and unencumbered amounts and accompanying
11 expenditure authorizations up to \$2,000,000.00 remaining on September
12 30, 2001 from pay telephone revenues and the amounts appropriated in
13 part 1 for gifts and bequests for patient living and treatment
14 environments shall be carried forward for 1 fiscal year. The purpose
15 of gifts and bequests for patient living and treatment environments is
16 to use additional private funds to provide specific enhancements for
17 individuals residing at state-operated facilities. Use of the gifts
18 and bequests shall be consistent with the stipulation of the donor.
19 The expected completion date for the use of gifts and bequests
20 donations is within 3 years unless otherwise stipulated by the donor.

21 Sec. 503. The funds appropriated in part 1 for forensic mental
22 health services provided to the department of corrections are in
23 accordance with the interdepartmental plan developed in cooperation
24 with the department of corrections. The department is authorized to
25 receive and expend funds from the department of corrections in
26 addition to the appropriations in part 1 to fulfill the obligations
27 outlined in the interdepartmental agreements.

28 Sec. 504. (1) The CMHSPs shall provide semiannual reports to the
29 department on the following information:

30 (a) The number of days of care purchased from state hospitals and
31 centers.

32 (b) The number of days of care purchased from private hospitals in
33 lieu of purchasing days of care from state hospitals and centers.

34 (c) The number and type of alternative placements to state
35 hospitals and centers other than private hospitals.

36 (d) Waiting lists for placements in state hospitals and centers.

1 (2) The department shall semiannually report the information in
2 subsection (1) to the house and senate appropriations subcommittees on
3 community health, the house and senate fiscal agencies, and the state
4 budget director.

5 Sec. 505. (1) The department shall not implement any closures or
6 consolidations of state hospitals, centers, or agencies until CMHSPs
7 have programs and services in place for those persons currently in
8 those facilities and a plan for service provision for those persons
9 who would have been admitted to those facilities.

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

16 (3) Four months after the certification of closure required in
17 section 19(6) of 1943 PA 240, MCL 38.19, the department shall provide
18 a closure plan to the house and senate appropriations subcommittees.

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

24 **PUBLIC HEALTH ADMINISTRATION**

25 Sec. 601. Of the amount appropriated in part 1 from revenues from
26 fees and collections, not more than \$250,000.00 received from the sale
27 of vital records death data shall be used for improvements in the
28 vital records and health statistics program.

29 **INFECTIOUS DISEASE CONTROL**

30 Sec. 701. State funds appropriated in any other account in part 1
31 may be used to supplant not more than \$350,000.00 in federal funds
32 projected for immunization, if the federal funds are unavailable. The
33 department shall inform the senate and house appropriations
34 subcommittees on community health, the senate and house fiscal
35 agencies, and the state budget director of the specific line items
36 reduced pursuant to this section.

1 Sec. 702. In the expenditure of funds appropriated in part 1 for
2 AIDS programs, the department and its subcontractors shall ensure that
3 adolescents receive priority for prevention, education, and outreach
4 services.

5 Sec. 703. The department shall continue the AIDS drug assistance
6 program maintaining the prior year eligibility criteria and drug
7 formulary. This section is not intended to prohibit the department
8 from providing assistance for improved AIDS treatment medications.

9 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

10 Sec. 801. The amount appropriated in part 1 for implementation of
11 the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and
12 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221,
13 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local
14 health departments for costs incurred related to implementation of
15 section 17015(15) of the public health code, 1978 PA 368, MCL
16 333.17015.

17 Sec. 802. If a county which has participated in a district health
18 department or an associated arrangement with other local health
19 departments takes action to cease to participate in such an
20 arrangement after October 1, 2000, the department shall have the
21 authority to assess a penalty from the local health department's
22 administrative accounts in an amount equal to no more than 3% of the
23 local health department's local public health operations funding. This
24 penalty shall only be assessed to the local county that requests the
25 dissolution of the health department.

26 Sec. 803. (1) Funds appropriated in part 1 for local public health
27 operations shall be prospectively allocated to local health
28 departments to support immunizations, infectious disease control,
29 sexually transmitted disease control and prevention, hearing
30 screening, vision services, food protection, public water supply,
31 private groundwater supply, and on-site sewage management. Food
32 protection shall be provided in consultation with the department of
33 agriculture. Public water supply, private groundwater supply, and
34 on-site sewage management shall be provided under contract with the
35 Michigan department of environmental quality.

36 (2) Local public health departments will be held to contractual

standards for the services in subsection (1), including the local public health accreditation program.

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2000-2001 of at least the amount expended in fiscal year 1992-93 for the services described in subsection (1).

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 901. (1) The amount appropriated in part 1 for school health and education programs shall be allocated in 2000-2001 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of community health.

(c) The public health agency in the department of community health.

(d) The office of substance abuse services in the department of community health.

(e) The family independence agency.

(f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 902. From the funds appropriated in part 1 for physical

1 fitness, nutrition, and health, up to \$1,000,000.00 may be allocated
2 to the Michigan physical fitness and sports foundation. The allocation
3 to the Michigan physical fitness and sports foundation is contingent
4 upon the foundation providing at least a 20% cash match.

5 Sec. 903. In spending the funds appropriated in part 1 for the
6 smoking prevention program, priority shall be given to prevention and
7 smoking cessation programs for pregnant women, women with young
8 children, and adolescents.

9 Sec. 904. From the funds appropriated in part 1 for the diabetes
10 program, a portion of the funds may be allocated to the national
11 kidney foundation of Michigan for kidney disease prevention
12 programming including early identification and education programs and
13 kidney disease prevention demonstration projects.

14 Sec. 905. From the funds appropriated in part 1 for the diabetes
15 program, \$320,000.00 shall be allocated for improving the health of
16 African-American men in Michigan. The funds shall be used for
17 screening and patient self-care activities for diabetes, hypertension,
18 stroke, and glaucoma and other eye diseases.

19 **COMMUNITY LIVING, CHILDREN, AND FAMILIES**

20 Sec. 1001. (1) Agencies receiving funds appropriated from part 1
21 for adolescent health care services shall:

22 (a) Require each adolescent health clinic funded by the agency to
23 report to the department on an annual basis all of the following
24 information:

25 (i) Funding sources of the adolescent health clinic.

26 (ii) Demographic information of populations served including sex,
27 age, and race. Reporting and presentation of demographic data by age
28 shall include the range of ages of 0-17 years and the range of ages of
29 18-23 years.

30 (iii) Utilization data that reflects the number of visits and
31 repeat visits and types of services provided per visit.

32 (iv) Types and number of referrals to other health care agencies.

33 (b) As a condition of the contract, a contract shall include the
34 establishment of a local advisory committee before the planning phase
35 of an adolescent health clinic intended to provide services within
36 that school district. The advisory committee shall be comprised of not

1 less than 50% residents of the local school district, and shall not be
2 comprised of more than 50% health care providers. A person who is
3 employed by the sponsoring agency shall not have voting privileges as
4 a member of the advisory committee.

5 (c) Not allow an adolescent health clinic funded by the agency, as
6 part of the services offered, to provide abortion counseling or
7 services or make referrals for abortion services.

8 (d) Require each adolescent health clinic funded by the agency to
9 have a written policy on parental consent, developed by the local
10 advisory committee and submitted to the local school board for
11 approval if the services are provided in a public school building
12 where instruction is provided in grades kindergarten through 12.

13 (2) A local advisory committee established under subsection
14 (1)(b), in cooperation with the sponsoring agency, shall submit
15 written recommendations regarding the implementation and types of
16 services rendered by an adolescent health clinic to the local school
17 board for approval of adolescent health services rendered in a public
18 school building where instruction is provided in grades kindergarten
19 through 12.

20 (3) The department shall submit a report to the members of the
21 senate and house appropriations subcommittees on community health and
22 the senate and house fiscal agencies based on the information provided
23 under subsection (1)(a). The report is due 90 days after the end of
24 the calendar year.

25 Sec. 1002. (1) Federal abstinence money expended in part 1 for the
26 purpose of promoting abstinence education shall provide abstinence
27 education to teenagers most likely to engage in high risk behavior as
28 their primary focus, and may include programs that include 9- to
29 17-year-olds. Programs funded must meet all of the following
30 guidelines:

31 (a) Teaches the gains to be realized by abstaining from sexual
32 activity.

33 (b) Teaches abstinence from sexual activity outside of marriage as
34 the expected standard for all school age children.

35 (c) Teaches that abstinence is the only certain way to avoid
36 out-of-wedlock pregnancy, sexually transmitted diseases, and other

1 health problems.

2 (d) Teaches that a monogamous relationship in the context of
3 marriage is the expected standard of human sexual activity.

4 (e) Teaches that sexual activity outside of marriage is likely to
5 have harmful effects.

6 (f) Teaches that bearing children out of wedlock is likely to have
7 harmful consequences.

8 (g) Teaches young people how to avoid sexual advances and how
9 alcohol and drug use increases vulnerability to sexual advances.

10 (h) Teaches the importance of attaining self-sufficiency before
11 engaging in sexual activity.

12 (2) Programs and organizations that meet the guidelines of
13 subsection (1) and criteria of subsection (2) shall have the option of
14 receiving all or part of their funds directly from the department of
15 community health.

16 Sec. 1003. Of the amount appropriated in part 1 for prenatal care
17 outreach and service delivery support, not more than 10% shall be
18 expended for local administration, data processing, and evaluation.

19 Sec. 1004. The funds appropriated in part 1 for pregnancy
20 prevention programs shall not be used to provide abortion counseling,
21 referrals, or services.

22 Sec. 1005. From the amounts appropriated in part 1 for dental
23 programs, funds shall be allocated to the Michigan dental association
24 for the administration of a volunteer dental program that would
25 provide dental services to the uninsured in an amount that is no less
26 than the amount allocated to that program in fiscal year 1996-97.

27 Sec. 1006. Agencies that currently receive pregnancy prevention
28 funds and either receive or are eligible for other family planning
29 funds shall have the option of receiving all of their family planning
30 funds directly from the department of community health and be
31 designated as delegate agencies.

32 Sec. 1007. From the funds appropriated for prenatal care outreach
33 and service delivery support, the department shall allocate at least
34 \$1,000,000.00 to communities with high infant mortality rates.

35 Sec. 1008. From the funds appropriated in part 1 for special
36 projects, the department shall allocate no less than \$200,000.00 to

1 provide education and outreach to targeted populations on the dangers
2 of drug use during pregnancy and fetal alcohol syndrome and further
3 develop its infant support services to target families with infants
4 with fetal alcohol syndrome or suffering from drug addiction.

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

6 Sec. 1101. Funds appropriated in part 1 for medical care and
7 treatment of children with special health care needs shall be paid
8 according to reimbursement policies determined by the Michigan medical
9 services program. Exceptions to these policies may be taken with the
10 prior approval of the state budget director.

11 Sec. 1102. The department may do 1 or more of the following:

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

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

16 (c) Provide genetic diagnostic and counseling services for
17 eligible families.

18 (d) Provide medical care and treatment to eligible patients with
19 hereditary coagulation defects, commonly known as hemophilia, who are
20 21 years of age or older.

21 **OFFICE OF DRUG CONTROL POLICY**

22 Sec. 1201. From the amount appropriated in part 1 to the office of
23 drug control policy, anti-drug abuse grants, \$200,000.00 shall be
24 transferred to the department of education to fund the office for safe
25 schools.

26 **CRIME VICTIM SERVICES COMMISSION**

27 Sec. 1301. The per diem amount authorized for the crime victim
28 services commission is \$100.00.

29 **OFFICE OF SERVICES TO THE AGING**

30 Sec. 1401. The appropriation in part 1 to the office of services
31 to the aging, for community and nutrition services and home services,
32 shall be restricted to eligible individuals at least 60 years of age
33 who fail to qualify for home care services under title XVIII, XIX, or
34 XX of the social security act, chapter 531, 49 Stat. 620.

35 Sec. 1402. Money appropriated in part 1 for the Michigan
36 pharmaceutical program shall be used to purchase generic medicine when

1 available and medically practicable.

2 Sec. 1403. The office of services to the aging shall require each
3 region to report to the office of services to the aging home delivered
4 meals waiting lists based upon standard criteria. Determining criteria
5 shall include all of the following:

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

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

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

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

12 Sec. 1404. The office of services to the aging may receive and
13 expend fees for the provision of day care, care management, and
14 respite care. The office of services to the aging shall base the fees
15 on a sliding scale taking into consideration the client income. The
16 office of services to the aging shall use the fees to expand services.

17 Sec. 1405. The office of services to the aging may receive and
18 expend Medicaid funds for care management services.

19 **MEDICAL SERVICES ADMINISTRATION**

20 Sec. 1501. The funds appropriated in part 1 for the Michigan
21 essential health care provider program may also provide loan repayment
22 for dentists that fit the criteria established by part 27 of the
23 public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

24 **MEDICAL SERVICES**

25 Sec. 1601. (1) For care provided to medical services recipients
26 with other third-party sources of payment, medical services
27 reimbursement shall not exceed, in combination with such other
28 resources, including Medicare, those amounts established for medical
29 services-only patients. The medical services payment rate shall be
30 accepted as payment in full. Other than an approved medical services
31 copayment, no portion of a provider's charge shall be billed to the
32 recipient or any person acting on behalf of the recipient. Nothing in
33 this section shall be deemed to affect the level of payment from a
34 third-party source other than the medical services program. The
35 department shall require a nonenrolled provider to accept medical
36 services payments as payment in full.

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

7 Sec. 1602. The cost of remedial services incurred by residents of
8 licensed adult foster care homes and licensed homes for the aged shall
9 be used in determining financial eligibility for the medically needy.
10 Remedial services include basic self-care and rehabilitation training
11 for a resident.

12 Sec. 1603. The department shall require copayments on dental,
13 podiatric, chiropractic, vision, pharmaceutical, and hearing aid
14 services provided to Medicaid recipients, except as prohibited by
15 federal or state law or regulation.

16 Sec. 1604. (1) From the funds appropriated in part 1 for the
17 indigent medical care program, the department shall establish a
18 program which provides for the basic health care needs of indigent
19 persons as delineated in the following subsections.

20 (2) Eligibility for this program is limited to the following:

21 (a) Persons currently receiving cash grants under either the
22 family independence program or state disability assistance programs
23 who are not eligible for any other public or private health care
24 coverage.

25 (b) Any other resident of this state who currently meets the
26 income and asset requirements for the state disability assistance
27 program and is not eligible for any other public or private health
28 care coverage.

29 (3) All potentially eligible persons, except those defined in
30 subsection (2)(a), who shall be automatically enrolled, may apply for
31 enrollment in this program at local family independence agency offices
32 or other designated sites.

33 (4) The program shall provide for the following minimum level of
34 services for enrolled individuals:

35 (a) Physician services provided in private, clinic, or outpatient
36 office settings.

1 (b) Diagnostic laboratory and x-ray services.

2 (c) Pharmaceutical services.

3 (5) Notwithstanding subsection (2)(b), the state may continue to
4 provide nursing facility coverage, including medically necessary
5 ancillary services, to individuals categorized as permanently residing
6 under color of law and who meet either of the following requirements:

7 (a) The individuals were medically eligible and residing in such a
8 facility as of August 22, 1996 and qualify for emergency medical
9 services.

10 (b) The individuals were Medicaid eligible as of August 22, 1996,
11 and admitted to a nursing facility before a new eligibility
12 determination was conducted by the family independence agency.

13 Sec. 1605. The department may require medical services recipients
14 residing in counties offering managed care options to choose the
15 particular managed care plan in which they wish to be enrolled.
16 Persons not expressing a preference may be assigned to a managed care
17 provider.

18 Sec. 1606. (1) The department of community health is authorized
19 to pursue reimbursement for eligible services provided in Michigan
20 schools from the federal Medicaid program. The department and the
21 state budget director are authorized to negotiate and enter into
22 agreements, together with the department of education, with local and
23 intermediate school districts regarding the sharing of federal
24 Medicaid services funds received for these services. The department
25 is authorized to receive and disburse funds to participating school
26 districts pursuant to such agreements and state and federal law.

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

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

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

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

1 Sec. 1607. The special medical services payments appropriation in
2 part 1 may be increased if the department submits a medical services
3 state plan amendment pertaining to this line item at a level higher
4 than the appropriation. The department is authorized to appropriately
5 adjust financing sources in accordance with the increased
6 appropriation.

7 Sec. 1608. (1) The department shall implement enforcement actions
8 as specified in the nursing facility enforcement provisions of section
9 1919 of title XIX of the social security act, chapter 531, 49 Stat.
10 620, 42 U.S.C. 1396r.

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

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

18 Sec. 1609. (1) From the funds appropriated in part 1, the
19 department, subject to the requirements and limitations in this
20 section, shall establish a funding pool of up to \$44,012,800.00 for
21 the purpose of enhancing the aggregate payment for medical services
22 hospital services.

23 (2) For counties with populations in excess of 2,000,000 persons,
24 the department shall distribute \$44,012,800.00 to hospitals if
25 \$15,026,700.00 is received by the state from such a county, which
26 meets the criteria of an allowable state matching share as determined
27 by applicable federal laws and regulations. If the state receives a
28 lesser sum of an allowable state matching share from such a county,
29 the amount distributed shall be reduced accordingly.

30 (3) The department may establish county-based, indigent health
31 care programs that are at least equal in eligibility and coverage to
32 the fiscal year 1996 state medical program.

33 (4) The department is authorized to establish similar programs in
34 additional counties if the expenditures for the programs do not
35 increase state general fund/general purpose costs and local funds are
36 provided.

1 (5) If a locally administered indigent health care program
2 replaces the state medical program authorized by section 1604 for a
3 given county on or before October 1, 1998, the state general
4 fund/general purpose dollars allocated for that county under this
5 section shall not be less than the general fund/general purpose
6 expenditures for the state medical program in that county in the
7 previous fiscal year.

8 Sec. 1610. An institutional provider that is required to submit a
9 cost report under the medical services program shall submit cost
10 reports completed in full within 5 months after the end of its fiscal
11 year.

12 Sec. 1611. (1) The department may establish a program for persons
13 to purchase medical coverage at a rate determined by the department.

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

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

18 Sec. 1612. Implementation and contracting for managed care by
19 Medicaid plans to the department are subject to the following
20 conditions:

21 (a) Continuity of care is assured by allowing enrollees to
22 continue receiving required medically necessary services from their
23 current providers for a period not to exceed 1 year if enrollees meet
24 the managed care medical exception criteria.

25 (b) The department shall require contracted health plans to submit
26 data determined necessary for the evaluation on a timely basis.

27 (c) A health plans advisory council is functioning which meets all
28 applicable federal and state requirements for a medical care advisory
29 committee. The council shall review at least quarterly the
30 implementation of the department's managed care plans.

31 (d) Mandatory enrollment is prohibited until there are at least 2
32 qualified health plans with the capacity to adequately serve each
33 geographic area affected. Exceptions may be considered in areas where
34 at least 85% of all area providers are in 1 plan.

35 (e) Enrollment of recipients of children's special health care
36 services in qualified health plans shall be voluntary during fiscal

1 year 2000 - 2001.

2 (f) The department shall develop a case adjustment to its rate
3 methodology that considers the costs of persons with HIV/AIDS, end
4 stage renal disease, organ transplants, epilepsy, and other high-cost
5 disease or conditions and shall implement the case adjustment when it
6 is proven to be actuarially and fiscally sound. Implementation of the
7 case adjustment must be budget neutral.

8 Sec. 1613. (1) Medicaid qualified health plans shall establish an
9 ongoing internal quality assurance program for health care services
10 provided to Medicaid recipients which includes:

11 (a) An emphasis on health outcomes.

12 (b) Establishment of written protocols for utilization review
13 based on current standards of medical practice.

14 (c) Review by physicians and other health care professionals of
15 the process followed in the provision of such health care services.

16 (d) Evaluation of the continuity and coordination of care that
17 enrollees receive.

18 (e) Mechanisms to detect overutilization and underutilization of
19 services.

20 (f) Actions to improve quality and assess the effectiveness of
21 such action through systematic follow-up.

22 (g) Provision of information on quality and outcome measures to
23 facilitate enrollee comparison and choice of health coverage options.

24 (h) Ongoing evaluation of the plans' effectiveness.

25 (i) Consumer involvement in the development of the quality
26 assurance program and consideration of enrollee complaints and
27 satisfaction survey results.

28 (2) Medicaid qualified health plans shall apply for accreditation
29 by an appropriate external independent accrediting organization
30 requiring standards recognized by the department once those plans have
31 met the application requirements. The state shall accept
32 accreditation of a plan by an approved accrediting organization as
33 proof that the plan meets some or all of the state's requirements, if
34 the state determines that the accrediting organization's standards
35 meet or exceed the state's requirements.

36 (3) Medicaid qualified health plans shall report encounter data,

1 including data on inpatient and outpatient hospital care, physician
2 visits, pharmaceutical services, and other services specified by the
3 department.

4 (4) Medicaid qualified health plans shall assure that all covered
5 services are available and accessible to enrollees with reasonable
6 promptness and in a manner which assures continuity. Medically
7 necessary services shall be available and accessible 24 hours a day
8 and 7 days a week. Health plans shall continue to develop procedures
9 for determining medical necessity which may include a prior
10 authorization process.

11 (5) Medicaid qualified health plans shall provide for
12 reimbursement of plan covered services delivered other than through
13 the plan's providers if medically necessary and approved by the plan,
14 immediately required, and which could not be reasonably obtained
15 through the plan's providers on a timely basis. Such services shall
16 be deemed approved if the plan does not respond to a request for
17 authorization within 24 hours of the request. Reimbursement shall not
18 exceed the Medicaid fee-for-service payment for such services.

19 (6) Medicaid qualified health plans shall provide access to
20 appropriate providers, including qualified specialists for all
21 medically necessary services.

22 (7) Medicaid qualified health plans shall provide the department
23 with a demonstration of the plan's capacity to adequately serve the
24 plan's expected enrollment of Medicaid enrollees.

25 (8) Medicaid qualified health plans shall provide assurances to
26 the department that it will not deny enrollment to, expel, or refuse
27 to reenroll any individual because of the individual's health status
28 or need for services, and that it will notify all eligible persons of
29 such assurances at the time of enrollment.

30 (9) Medicaid qualified health plans shall provide procedures for
31 hearing and resolving grievances between the plan and members enrolled
32 in the plan on a timely basis.

33 (10) Medicaid qualified health plans shall meet other standards
34 and requirements contained in state laws, administrative rules, and
35 policies promulgated by the department.

36 (11) Medicaid qualified health plans shall develop written plans

1 for providing nonemergency medical transportation services funded
2 through supplemental payments made to the plans by the department, and
3 shall include information about transportation in their member
4 handbook.

5 Sec. 1614. (1) The department may require a 12-month lock-in to
6 the qualified health plan selected by the recipient during the initial
7 and subsequent open enrollment periods, but allow for good cause
8 exceptions during the lock-in period.

9 (2) Medicaid recipients shall be allowed to change health plans
10 for any reason within the initial 90 days of enrollment.

11 Sec. 1615. (1) The department shall provide an expedited
12 complaint review procedure for Medicaid eligible persons enrolled in
13 qualified health plans for situations where failure to receive any
14 health care service would result in significant harm to the enrollee.

15 (2) The department shall provide for a toll-free telephone number
16 for Medicaid recipients enrolled in managed care to assist with
17 resolving problems and complaints. If warranted, the department shall
18 immediately disenroll persons from managed care and approve fee-for-
19 service coverage.

20 (3) Quarterly reports summarizing the problems and complaints
21 reported and their resolution shall be provided to the house and
22 senate appropriations subcommittees on community health, the house and
23 senate fiscal agencies, and the department's health plans advisory
24 council.

25 Sec. 1616. The department may make separate payments directly to
26 qualifying hospitals serving a disproportionate share of indigent
27 patients, and to hospitals providing graduate medical education
28 training programs. If direct payment for GME and DSH is made to
29 qualifying hospitals for services to Medicaid clients, hospitals will
30 not include GME costs or DSH payments in their contracts with HMOs.

31 Sec. 1617. The mother of an unborn child shall be eligible for
32 medical services benefits for herself and her child if all other
33 eligibility factors are met. To be eligible for these benefits, the
34 applicant shall provide medical evidence of her pregnancy. If she is
35 unable to provide the documentation, payment for the examination may
36 be at state expense. The department of community health shall

1 undertake such measures as may be necessary to ensure that necessary
2 prenatal care is provided to medical services eligible recipients.

3 Sec. 1618. (1) The protected income level for Medicaid coverage
4 determined pursuant to section 106(1)(b)(iii) of the social welfare
5 act, 1939 PA 280, MCL 400.106, shall be 100% of the related public
6 assistance standard.

7 Sec. 1619. For the purpose of guardian and conservator charges,
8 the department of community health may deduct up to \$60.00 per month
9 as an allowable expense against a recipient's income when determining
10 medical services eligibility and patient pay amounts.

11 Sec. 1620. The department shall promote activities that preserve
12 the dignity and rights of terminally ill and chronically ill
13 individuals. Priority shall be given to programs, such as hospice,
14 that focus on individual dignity and quality of care provided persons
15 with terminal illness and programs serving persons with chronic
16 illnesses that reduce the rate of suicide through the advancement of
17 the knowledge and use of improved, appropriate pain management for
18 these persons; and initiatives that train health care practitioners
19 and faculty in managing pain, providing palliative care and suicide
20 prevention.

21 Sec. 1621. The following sections are the only ones which shall
22 apply to the following Medicaid managed care programs, including the
23 comprehensive plan, children's special health care services plan, MI
24 Choice long-term care plan, and the mental health, substance abuse,
25 and developmentally disabled services program: 213, 401, 403, 410,
26 1605, 1612, 1613, 1614, 1615, 1616, 1627, 1628, and 1629.

27 Sec. 1622. (1) The appropriation in part 1 for the MICHild
28 program is to be used to provide comprehensive health care to all
29 children under age 19 who reside in families with income at or below
30 200% of the federal poverty level, who are uninsured and have not had
31 coverage by other comprehensive health insurance within 6 months of
32 making application for MICHild benefits, and who are residents of this
33 state. The department shall develop detailed eligibility criteria
34 through the medical services administration public concurrence
35 process, consistent with the provisions of this act. Health care
36 coverage for children in families below 150% of the federal poverty

1 level shall be provided through expanded eligibility under the state's
2 Medicaid program. Health coverage for children in families between
3 150% and 200% of the federal poverty level shall be provided through a
4 state-based private health care program.

5 (2) The department shall enter into a contract to obtain MICHild
6 services from any health maintenance organization, dental care
7 corporation, or any other entity that offers to provide the managed
8 health care benefits for MICHild services at the MICHild capitated
9 rate. As used in this subsection:

10 (a) "Dental care corporation", "health care corporation",
11 "insurer", and "prudent purchaser agreement" mean those terms as
12 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
13 550.52.

14 (b) "Entity" means a health care corporation or insurer operating
15 in accordance with a prudent purchaser agreement.

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

18 (4) 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 services,
22 or from other medical services line-item appropriations providing for
23 specific health care services.

24 Sec. 1623. The department may establish premiums for MICHild
25 eligible persons in families with income above 150% of the federal
26 poverty level. The monthly premiums shall not exceed \$5.00 for a
27 family.

28 Sec. 1624. The department shall not require copayments under the
29 MICHild program.

30 Sec. 1625. To be eligible for the MICHild program, a child must be
31 residing in a family with an adjusted gross income of less than or
32 equal to 200% of the federal poverty level. The department's
33 verification policy shall be used to determine eligibility.

34 Sec. 1626. All nursing home rates, class I and class III, must
35 have their respective fiscal year rate set 30 days prior to the
36 beginning of their rate year. Rates may take into account the most

1 recent cost report prepared and certified by the preparer, provider
2 corporate owner or representative as being true and accurate, and
3 filed timely, within 5 months of the fiscal year end in accordance
4 with Medicaid policy. If the audited version of the last report is
5 available, it shall be used. Any rate factors based on the filed cost
6 report may be retroactively adjusted upon completion of the audit of
7 that cost report.

8 Sec. 1627. (1) Reimbursement for medical services to screen and
9 stabilize a Medicaid recipient in a hospital emergency room shall not
10 be made contingent on obtaining prior authorization from the
11 recipient's qualified health plan. If the recipient is discharged
12 from the emergency room, the hospital shall notify the recipient's
13 qualified health plan within 24 hours of the diagnosis and treatment
14 received.

15 (2) If the treating hospital determines that the recipient will
16 require further medical service or hospitalization beyond the point of
17 stabilization, that hospital must receive authorization from the
18 recipient's qualified health plan prior to admitting the recipient.

19 (3) Subsections (1) and (2) shall not be construed as a
20 requirement to alter an existing agreement between a qualified health
21 plan and their contracting hospitals nor as a requirement that a
22 qualified health plan must reimburse for services that are not deemed
23 to be medically necessary.

24 Sec. 1628. (1) It is the intent of the legislature that a uniform
25 Medicaid billing form be developed by the department in consultation
26 with affected Medicaid providers. Every 2 months, the department
27 shall provide reports to members of the senate and house
28 appropriations subcommittees on community health and the senate and
29 house fiscal agencies on the progress of this initiative.

30 (2) Until such time as a uniform billing form is developed and
31 implemented, the following shall apply to Medicaid qualified health
32 plans:

33 (a) If a billing form is received by a qualified health plan with
34 a noncorrectable error, the qualified health plan shall return the
35 form within 10 business days to the billing provider with plain
36 language instructions as to what items need to be corrected.

(b) If a qualified health plan fails to provide reimbursement for 90% of its clean claims within 30 days, the qualified health plans shall be subject to an interest charge based on the value of the unpaid claims. Interest shall be paid at the rate specified in section 3902(a) of title 31 of the United States Code, 31 U.S.C. 3902. As used in this subdivision, "clean claim" means a claim that has no defect or impropriety, including lack of required substantiating documentation for noncontracting providers and suppliers, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim.

(c) If a qualified health plan has followed the procedure specified in subdivision (a), the required time for reimbursement does not begin until a corrected billing form has been received.

(d) A Medicaid provider that submits a duplicate of a claim that has been denied or returned with notice that it is incomplete or incorrect shall be subject to a service charge for each duplicate claim, in an amount determined by the department, if the duplicate claim is submitted without completion, correction, or further information that addresses the denial or return.

(3) The department shall hold regular Medicaid billing seminars targeted to both qualified health plans and Medicaid providers. The number and locations of these seminars should be sufficient to provide reasonable access to qualified health plans and Medicaid providers throughout the state. The department shall provide quarterly reports to the members of the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the number of seminars, their content and location, and the number of persons attending these seminars.

Sec. 1629. (1) The department shall do or demonstrate that it has accomplished all of the following concerning the provision of early and periodic screening, diagnosis, and treatment (EPSDT) and maternal and infant support services (MSS/ISS):

(a) Explore the feasibility of developing a uniform encounter form for EPSDT services, MSS/ISS referral, and MSS/ISS screening and services.

(b) Require each qualified health plan to evaluate 100% of

1 pregnant Medicaid enrollees for possible MSS/ISS screening referral
2 during the initial pregnancy services visit, using uniform screening
3 and referral criteria.

4 (c) Require each qualified health plan to notify the department
5 and the appropriate local health department of all MSS/ISS screening
6 referrals, and require all MSS/ISS screening and service providers to
7 notify the department and the appropriate local health department of
8 Medicaid clients who fail to keep MSS/ISS appointments.

9 (d) Prohibit qualified health plans from requiring prior
10 authorization for their contracted providers for any EPSDT screening
11 and diagnostic service, for MSS/ISS screening referral, or for up to 3
12 MSS/ISS service visits.

13 (e) Coordinate the provision of MSS/ISS services with the women,
14 infants, and children supplemental nutrition (WIC) program, state
15 supported substance abuse, smoking prevention, and violence prevention
16 programs, the family independence agency, and any other state or local
17 program with a focus on preventing adverse birth outcomes and child
18 abuse and neglect.

19 (2) The department shall require the external quality review
20 contractor to conduct a statistically significant sampling of the
21 health records of Medicaid eligible clients of all qualified health
22 plans for the following information:

23 (a) The number of Medicaid enrollees under age 19.

24 (b) The number of Medicaid enrollees receiving at least 1 EPSDT
25 service.

26 (c) The number and type of EPSDT services rendered.

27 (d) The immunization status of each EPSDT eligible enrollee who
28 is seen by a plan provider.

29 (e) The number of enrollees receiving blood lead screening.

30 (f) The number of referrals to local health departments for blood
31 lead screening, immunization, or objective hearing and vision
32 screening services.

33 (g) The number of pregnant Medicaid enrollees.

34 (h) The number of referrals for MSS/ISS assessment.

35 (i) The number of MSS/ISS assessments performed.

36 (j) The number and description of MSS/ISS visits or services

1 delivered.

2 (k) The number of prenatal visits per pregnant enrollee.

3 (3) The department shall compile and report the information
4 required in subsection (2) to the senate and house appropriations
5 subcommittees on community health, the senate and house fiscal
6 agencies, and the state budget director no later than February 1,
7 2001.

8 Sec. 1630. (1) Effective January 1, 2001, an elder prescription
9 insurance coverage program will be established, referred to in this
10 section as the EPIC program. The guiding principles of this program
11 are all of the following:

12 (a) To enhance access to prescription medications for low income
13 elderly residents of this state.

14 (b) To make that access meaningful by reducing the cost to senior
15 citizens to obtain prescription medications.

16 (c) To assist the elderly in understanding how prescription
17 medications can be beneficial in treating diseases, illnesses, and
18 conditions that are more prevalent in the aged.

19 (d) To provide the means by which those persons who prescribe and
20 dispense prescription medications for the elderly are better able to
21 recognize those prescription situations in which combinations of new
22 and/or existing drugs, or other factors, could result in adverse drug
23 interaction in an elderly person.

24 (e) The program developed pursuant to this section is not an
25 entitlement and benefits are limited to the level supported by the
26 funding explicitly appropriated in this or subsequent acts.

27 (2) In furthering these guiding principles, the operational
28 parameters of the EPIC program shall include at least all of the
29 following:

30 (a) Limiting eligibility to Michigan residents who are over the
31 age of 64, who have household incomes at or below 200% of the federal
32 poverty level, and who are not eligible for Medicaid.

33 (b) Establishing variable premium rates based on a percentage of
34 household income, which rate shall be not more than 5% of household
35 income if household income is 200% of the federal poverty level and
36 shall be zero if household income is 100% or less of the federal

1 poverty level.

2 (c) A mechanism, such as limiting the number of policies sold, to
3 ensure that expenditures do not exceed available revenue.

4 (3) The EPIC program shall not be implemented until after an
5 automated pharmacy claims adjudication and prospective drug
6 utilization review system is operational.

7 (4) The EPIC program shall not be implemented until section 273
8 of the income tax act of 1967, 1967 PA 281, M.C.L. 206.273, is
9 repealed.

Final page.