

**COMMUNITY HEALTH FY 2008-09 Appropriations
Summary: As Passed by the Senate
SB 1094**

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	FY 2007-08 YTD as of 2/07/08	FY 2008-09 Executive Revised	FY 2008-09 Senate	FY 2008-09 House	FY 2008-09 Enacted	<i>Difference: Senate From FY 2007-08 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$39,410,200	\$40,883,900	\$40,883,900			\$1,473,700	3.7
Federal	6,708,510,700	7,159,785,100	7,159,893,600			451,382,900	6.7
Local	247,237,400	241,980,600	241,980,600			(5,256,800)	(2.1)
Private	65,519,800	66,686,800	66,686,800			1,167,000	1.8
Restricted	1,862,336,400	1,860,109,700	1,891,186,200			28,849,800	1.6
GF/GP	3,125,311,600	3,086,105,800	3,082,241,600			(43,070,000)	(1.4)
Gross	\$12,048,326,100	\$12,455,551,900	\$12,482,872,700			\$434,546,600	3.6
FTEs	4,767.6	4,602.7	4,600.7			(166.9)	(3.5)

Overview

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs including Medicaid. Established in 1996, the Department also includes the Office of Drug Control Policy, the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

Major Budget Issues

Major Budget Changes From FY 2007-08 YTD Appropriations

		FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
1. Economic Adjustments	Gross	N/A	\$4,188,800
The Senate concurs with the Executive Recommendation to include \$4.2 million gross (\$1.6 million GF/GP) to annualize the cost of the 2.0% salary/wage increase for non-bargaining and unionized employees effective April 2008, and finance economic adjustments for defined benefit/contribution retirement, insurance, building occupancy, food, worker's compensation, and gas, fuel, and utility costs for FY 2008-09.	IDG	N/A	(44,900)
	Federal	N/A	1,091,300
	Restricted	N/A	177,800
	Local	N/A	1,317,500
	Private	N/A	400
	GF/GP	N/A	\$1,646,700
2. Director and Other Unclassified Positions	Gross	\$598,600	(\$299,300)
The Senate reduces the salaries of the Director and other unclassified FTE positions by \$299,300 GF/GP which represents 50% of the line item appropriation.	GF/GP	\$598,600	(\$299,300)
3. Consolidation of Human Resources	Gross	N/A	(\$4,492,000)
Concurring with the Executive Recommendation, the Senate recognizes savings of \$4.2 million gross (\$2.5 million GF/GP) by consolidating the Department of Community Health's Human Resources Operations with the Department of Management and Budget pursuant to implementation of Executive Order 2007-30. Also, recognizes Human Resources Optimization savings of \$285,500 gross (all GF/GP).	Federal	N/A	(316,500)
	Restricted	N/A	(265,900)
	Local	N/A	(1,127,200)
	GF/GP	N/A	(\$2,782,400)
4. Mental Illness in Jails	Gross	\$13,409,500	\$200,000
The Senate allocates \$200,000 GF/GP for a study on the prevalence of mental illness in jails. (Sec. 427)	Federal	3,121,000	0
	Private	190,000	0
	GF/GP	\$10,098,500	\$200,000

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
5. Actuarially Sound Rates		Gross \$4,516,377,400	\$175,436,400
The Senate concurs with the Executive Recommendation to increase capitation payment rates for Health Plan Services by 5.0%, for Medicaid Mental Health Services by 3.4%, and for Medicaid Substance Abuse Services by 1.0% (\$175.4 million gross, \$69.7 million GF/GP) to ensure rates are actuarially sound in FY 2008-09.	Federal	2,652,514,400	105,735,500
	Local	29,737,100	0
	Restricted	898,986,100	0
	GF/GP	\$935,139,800	\$69,700,900
6. Unrealized Anti-Psychotic Pharmaceutical Carve-In Savings		Gross \$1,717,929,300	(\$8,679,900)
The Senate and Executive reverse carve-in savings anticipated by transferring anti-psychotic pharmaceutical costs to the capitation payments for PIHPs as the federal government did not approve this adjustment.	Federal	998,117,000	(5,231,400)
	Restricted	102,980,500	(8,679,900)
	Local	26,072,100	0
	GF/GP	\$590,759,700	\$5,231,400
7. CMH Non-Medicaid Services Reduction		Gross \$319,566,100	\$0
The Senate does not concur with the Executive to include \$7.25 million GF/GP reduction for CMH Non-Medicaid Services which will be offset by funds from a statewide and centralized mental health managed care risk pool. Mandating, rather than permitting, the use of funds from CMHSPs risk pooling arrangements to support publicly funded mental health services requires changes in the state's Mental Health Code.	GF/GP	\$319,566,100	\$0
8. Mental Health Court Pilot Programs		Gross \$0	\$0
Unlike the Executive, the Senate does not reinvest \$2,253,800 GF/GP from savings achieved through creation of a statewide and centralized mental health managed care risk pool, in conjunction with \$1.1 million from Judiciary, to implement five mental health court programs. Services that may be included in the programs are psychiatric counseling, case management, vocational training, housing assistance, program adherence monitoring, and training court and law enforcement personnel.	GF/GP	\$0	\$0
9. Wage Increase for Direct Care Workers		Gross \$1,717,929,300	\$10,068,000
The Senate adds \$10,068,000 gross (\$4.0 million GF/GP) to the Medicaid Mental Health Services line item to finance a 2.0% wage increase for direct care workers in mental health settings. (Sec. 405)	Federal	998,117,000	6,068,000
	Restricted	102,980,500	0
	Local	26,072,100	0
	GF/GP	\$590,759,700	\$4,000,000
10. Multicultural Services		Gross \$5,763,800	\$710,000
The Senate adds \$350,000 GF/GP for the Chaldean Culture Center and \$360,000 GF/GP for the Jewish Federation.	GF/GP	\$5,763,800	\$710,000
11. Mental Health Outpatient and Residential Teams		Gross \$38,108,200	\$2,355,300
Concurring with the Executive, the Senate adds \$1.2 million for two additional mental health outpatient teams and \$1.2 million for one additional mental health residential treatment program for the Department of Corrections.	IDG	38,108,200	2,355,300
	GF/GP	\$0	\$0
12. Criminal Background Check Program		Gross \$10,475,900	(\$2,119,600)
In concurrence with the Executive, the Senate eliminates federal pilot grant revenue of \$2.6 million for the Criminal Background Check Program for employees of health facilities as this grant has expired. Funding for this program is also reduced by \$519,600 anticipating less federal Medicaid revenue and health systems fees/collections. The Senate also adds \$1.0 million GF/GP for the costs of background checks for newly hired nursing home employees. (Sec. 721)	Federal	7,074,400	(\$2,890,700)
	Restricted	3,401,500	(228,900)
	GF/GP	\$0	\$1,000,000
13. Bureau of Health Professions Phone System		Gross \$20,950,600	\$500,000
The Senate does not concur with the Executive to appropriate \$2.0 million from the Health Professions Regulatory Fund to upgrade the Bureau of Health Professions customer service phone system as the Bureau receives between 400-500 calls daily. The Senate allocates \$500,000 for an upgraded phone system and shifts the remaining Health Professions Regulatory Fund revenue to GF/GP to finance other initiatives.	Federal	3,476,700	0
	Restricted	17,473,900	500,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
14. Healthy Michigan Fund Revisions	Gross	\$41,827,600	(\$10,703,200)
The Senate eliminates all Healthy Michigan Fund (HMF) appropriations to individual projects totaling \$25.9 million, and establishes a single line item at a reduced funding amount of \$15.2 million for the Department to fund projects at its discretion. Some loss of federal matching funds will occur which is not yet reflected. The Medicaid allocation of \$15.9 million of HMF is increased by \$10,753,200 to replace GF/GP for savings. The Senate replaces the HMF arthritis program reduction with \$50,000 GF/GP.	Restricted	41,827,600	0
	GF/GP	\$0	(\$10,703,200)
15. Michigan Health Initiative Fund Adjustments	Gross	\$10,525,600	(\$225,000)
The Senate concurs with the Executive Recommendation to reduce Michigan Health Initiative (MHI) funds for public health programs by \$1.4 million to reflect available Fund revenue. A \$225,000 reduction is made to the AIDS and risk reduction clearinghouse and media campaign. The Senate replaces MHI funds with GF/GP for bovine tuberculosis and for the sexually transmitted disease control program, and with federal funds in departmental administration. Total MHI Fund appropriation is \$9.1 million.	Federal	0	50,000
	Restricted	10,525,600	(1,441,700)
	GF/GP	\$0	\$1,166,700
16. Vaccine Funding for Underinsured Children	Gross	\$0	\$100,000
The Senate provides \$100,000 for purchase of vaccines for underinsured children ages birth through 18 years of age. (Sec. 806)	GF/GP	\$0	\$100,000
17. Infectious Disease Targeted Initiatives	Gross	N/A	\$0
The Senate does not include the Executive's recommendation for intensified infectious disease efforts: (1) \$1.0 million GF/GP for expanded testing and treatment of gonorrhea and chlamydia diseases in high-prevalence areas; and (2) \$300,000 GF/GP to address the increasing occurrence of contagious, antibiotic-resistant staphylococcus aureus ("staph") infections in and outside of health care facilities (MRSA and VRSA infections).	GF/GP	N/A	\$0
18. Bioterrorism Funding Revisions and New Match Requirement	Gross	\$50,953,300	(\$600,000)
The Senate bill reflects the Executive's recommendation for hospital and public health system bioterrorism preparedness. A net reduction of \$600,000 reflects a \$2.2 million decrease in federal grant funds, and new GF/GP and local funding of \$1.6 million to satisfy new federal match requirements of 5% effective August 2008 and rising to 10% July 2009.	Federal	50,953,300	(2,177,300)
	Local	0	500,000
	GF/GP	\$0	\$1,077,300
19. Local Public Health Operations	Gross	\$40,618,400	\$1,000,000
The Senate includes \$1.0 million additional GF/GP funding toward the state share of public health services provided by local health departments: immunizations, infectious disease control, sexually transmitted disease control, hearing and vision screening, food protection, public water, private groundwater and on-site sewage management.	Local	5,150,000	0
	GF/GP	\$35,468,400	\$1,000,000
20. Local Public Health Physician Recruitment Project	Gross	\$0	\$600,000
The Senate includes the Executive's recommendation of \$600,000 for a new initiative with Michigan State University and the University of Michigan to recruit and train qualified physicians to practice in local public health to address a shortage. The universities will provide half of the funding.	Private	0	300,000
	GFGP	\$0	\$300,000
21. Pilot Programs for Traumatic Brain Injury Treatment Models	Gross	\$0	\$300,000
The Senate provides \$300,000 GF/GP to establish two incentive-based pilot programs for level I and level II trauma hospitals to encourage greater utilization of a treatment model for traumatic brain injury. (Sec. 1031)	GF/GP	\$0	\$300,000
22. Early Childhood Collaborative	Gross	\$524,000	\$476,000
The Early Childhood Collaborative Secondary Prevention, ages 0-3 program funding is increased from \$524,000 to \$1.0 million by the Senate.	GF/GP	\$524,000	\$476,000
23. Nurse Family Partnership	Gross	\$2,064,800	\$200,000
The Senate provides \$200,000 GF/GP for the Nurse Family Partnership Program in Kalamazoo. The state currently supports this program for firstborns and new parents in Kalamazoo and 4 other communities. The GF/GP will generate matching federal funds also, not yet appropriated.	Federal	1,032,400	0
	GF/GP	\$1,032,400	\$200,000

Major Budget Changes From FY 2007-08 YTD Appropriations	FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
24. Senior Services Care Management and Senior Olympics	Gross \$6,825,500	\$790,000
A 10% increase of \$690,000 GF/GP is provided by the Senate for care management of community services for frail low-income elderly at home. The Senate also provides \$100,000 GF/GP for Senior Olympics, a program that is not currently funded.	GF/GP \$6,825,500	\$790,000
25. Medicaid Caseload, Utilization and Inflation	Gross \$9,462,685,400	\$163,703,800
The Senate concurs with the Executive Recommendation to add \$163.7 million gross (\$60.7 million GF/GP) for projected expenditure growth related to inflation, caseload, and utilization increases. Adjustments occur in Medical Services, Substance Abuse, Mental Health, Children's Special Health Care Services (CSHCS) programs and Medicaid Adult Benefits Waiver.	Federal 5,588,042,500 Local 43,009,700 Merit Awd 139,000,000 Restricted 1,500,111,200 GF/GP \$2,192,522,000	103,051,800 0 0 0 \$60,652,000
26. Medicaid Fund Source Adjustments	Gross \$9,462,685,400	(\$1,356,900)
The Senate and Executive include an increase of federal Medicaid and SCHIP funds that would offset \$176.9 million of GF/GP and \$11.6 million of state restricted revenue due to changes in federal match rates. A loss of Medicaid Benefits Trust Fund revenue would be made up by \$10.6 million GF/GP. A shortfall of Merit Award Trust Fund revenue would be made up by \$45.3 million GF/GP. An Executive Recommendation revision, dated March 19, 2008, is not included which would have increased federal Medicaid authorization by \$17.8 million and reduced state restricted revenues by a like amount reflecting corrected federal match rate change calculations for hospital, health plan and nursing home QAAP financing.	Federal 5,588,042,500 Local 43,009,700 Merit Awd 139,000,000 Restricted 1,500,111,200 GF/GP \$2,192,522,000	188,493,100 0 (45,300,000) (23,551,200) (\$120,998,800)
27. Increase MACI Hospital (Provider Tax) Payments	Gross \$473,479,000	\$91,521,000
The Senate passed bill reflects the Executive Recommendation which increases the Hospital Services and Therapy line item by \$91.5 million gross to increase Medicaid Access to Care Initiative (MACI) payments to hospitals up to the Medicare upper payment limit. Of this amount, \$60.8 million is attributable to FY 2007-08 and \$30.7 million to FY 2008-09. The payments are funded through hospital provider taxes and Federal matching funds.	Federal 275,091,300 Restricted 198,387,700 GF/GP \$0	53,173,700 38,347,300 \$0
28. Hospital and Nursing Home State Retained QAAP	Gross \$0	\$0
The Senate assumes savings of \$36.2 million GF/GP from setting the amount which the state retains from the nursing home and hospital quality assurance assessment programs (QAAPs) at 14.4% of the total federal gain, based on calculations in the original Executive Recommendation. A March 19, 2008 Executive Recommendation revision request assumes the same savings but calculates that 14.9% of the total federal gain will be required to achieve these savings. Statutory changes would be necessary.	Restricted 138,750,000 GF/GP (\$138,750,000)	36,197,800 (\$36,197,800)
29. Disproportionate Share Hospital (DSH) Payment Reduction	Gross \$50,000,000	\$0
The Senate does not concur with the Executive to reduce special payments to hospitals for uncompensated care \$5.0 million gross (\$2.0 million GF/GP). This action would have eliminated the pool earmarked for hospitals receiving less than \$900,000 annually in DSH funds.	Federal 29,050,000 Restricted 6,114,900 GF/GP \$14,835,100	0 0 \$0
30. Physician Primary Care Funding Increase	Gross N/A	\$17,618,900
The Senate increases the Physician Services line by \$6.0 million gross (\$2.4 million GF/GP) and the Health Plan Services line by \$11.6 million gross (\$4.6 million GF/GP) funding a primary rate increase for Medicaid physician services.	Federal N/A GF/GP N/A	10,618,900 \$7,000,000
31. Pharmacy Rebate Savings	Gross \$285,210,900	(\$8,154,000)
Both the Senate and Executive recognize savings of \$8.2 million gross (\$3.2 million GF/GP) based on changes included in the federal Deficit Reduction Act that requires calculating pharmacy rebates using the average manufacturer price rather than the average wholesale price.	Federal 165,721,800 Restricted 2,000,000 GF/GP \$117,489,100	(4,914,400) 0 (\$3,239,600)

Major Budget Changes From FY 2007-08 YTD Appropriations	FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
32. Pharmacy Dispensing Fee Increase	Gross \$285,210,900	\$3,775,500
The Senate includes within the Pharmaceutical Services line an additional \$3.8 million gross (\$1.5 million GF/GP) to provide a \$0.75 per script increase in the Medicaid pharmacy dispensing fee. (Sec. 1620)	Federal 165,721,800 Restricted 2,000,000 GF/GP \$117,489,100	2,275,500 0 \$1,500,000
33. Annualize Healthy Kids Dental Expansion	Gross \$2,625,300	\$8,253,400
The Senate concurs with the Executive Recommendation to increase the Dental Services line by \$7.9 million gross (\$3.1 million GF/GP) to fund a full year expansion of the Healthy Kids dental program to Genesee and Saginaw counties. The Senate also includes \$251,700 gross (\$100,000 GF/GP) to expand the program in Montcalm County and \$125,800 gross (\$50,000 GF/GP) expanding to the city of Roseville, both beginning July 1, 2009. (Sec. 1633)	Federal 1,525,300 GF/GP \$1,100,000	4,974,300 \$3,279,100
34. Limit Nursing Home Variable Cost Component Increase	Gross \$1,554,146,800	\$0
The Senate does not include the Executive's proposal to reduce the Long-Term Care Services line by \$31.3 million gross (\$12.4 million GF/GP) from savings created by limiting the growth rate of the nursing home variable cost component of nursing reimbursement from 4.9% to 2.5%.	Federal 902,952,700 Local 6,618,800 Merit Awd 139,000,000 Restricted 222,683,200 GF/GP \$282,892,100	0 0 0 0 \$0
35. Community-Based Long-Term Care Services Expansion	Gross \$1,980,350,200	\$1,000,000
The Senate concurs with the Executive to include a reduction of \$32.4 million Gross (\$12.9 million GF/GP) within the Long-Term Care Services line resulting from savings generated by reduced nursing home usage. The Senate however does not concur with the Executive's plan to reallocate these savings to expand community-based long-term care services. The Senate does provide \$636,800 gross (\$253,000 GF/GP) to expand the MIChoice program and \$363,200 gross (\$176,500 GF/GP) for the Office of Long Term Care and Supports and Services for additional staffing.	Federal 1,149,384,300 Local 6,618,800 Merit Awd 139,000,000 Restricted 222,683,200 GF/GP \$462,663,900	570,500 0 0 0 \$429,500
36. Adult Home Help Minimum Wage Annualized Costs	Gross \$245,762,800	\$10,892,400
Both the Senate and the Executive agree on an increase to the Adult Home Help Services line of \$10.9 million gross (\$4.3 million GF/GP) to fund full year costs of the minimum wage for adult home help workers at \$7.50 per hour.	Federal 142,788,200 GF/GP \$102,974,600	6,564,800 \$4,327,600
37. Create Adult Home Help Health Care Trust	Gross N/A	\$2,517,000
The Senate includes \$2.5 million gross (\$1.0 million GF/GP) to create an Adult Home Help Health Care Trust which would support health care benefits for Adult Home Help workers. (Sec. 1788)	Federal N/A GF/GP N/A	1,517,000 \$1,000,000
38. Physician Adjustor Payments Through HMOs	Gross \$0	\$40,383,900
The Senate and Executive concur on an increase to the Health Plan Services line of \$40.4 million gross for new physician adjustor payments made through HMOs to contracted practitioner groups using local funds to match federal Medicaid funds. The approved Medicaid state plan amendment allows an enhanced payment to four public entities: University of Michigan Health System, Wayne State University, Hurley Hospital and Michigan State University. This expands what is currently being done through fee-for-service Medicaid payments.	Federal 0 Local 0 Restricted 0 GF/GP \$0	24,339,400 1,136,300 14,908,200 \$0
39. Eliminate Medicaid Eligibility for 19 & 20 Year Olds	Gross \$36,372,400	(\$36,372,400)
The Senate proposes savings of \$36.4 million gross (\$14.5 million GF/GP) by eliminating optional Medicaid eligibility for 19 and 20 year olds.	Federal 21,132,400 GF/GP \$15,240,000	(21,921,600) (\$14,450,800)

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>	FY 2007-08 YTD (as of 2/07/08)	Senate Change From YTD
40. Family Planning Unrealized Savings	Gross \$27,109,000	\$5,030,700
The Senate bill reflects the Executive Recommendation which recognizes unrealized savings for the Plan First! family planning waiver program, corrected by increasing the gross authorization \$5.0 million (\$2.3 million GF/GP). The FY 2007-08 budget was built upon an average enrollment of 158,000 women and currently enrollment is less than 30,000. Competing federal programs, citizenship verification requirements and recent federal program eligibility changes account for lower program participation. The FY 2008-09 savings estimates are based on an enrollment of 46,000 women.	Federal 24,306,100	2,772,700
	GF/GP \$2,802,900	\$2,258,000

Major Boilerplate Changes From FY 2007-08

GENERAL

Sec. 272. Administrative Efficiencies, Shared Services, and Consolidations – MODIFIED

The Senate revises current law to require the Department to make efforts to implement results of a study that encourages administrative efficiencies for local public health departments, CMHSPs, coordinating agencies on substance abuse, and area agencies on aging.

Sec. 285. Prescription Drug Website – NEW

The Senate adds a new section requiring DCH to operate a prescription drug website that educates individuals regarding prescription drugs, provides a list of prescription drug prices, and provides links to other websites that offer free or discounted prescription drug programs.

Sec. 286. Medicaid Administrative Hearings - NEW

The Senate proposes language requiring DCH to make all Medicaid administrative hearing decisions issued on or after October 1, 2008 available to the public by posting them on Michigan's Internet website without personal identifying information.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 430. Carry Forward of Medicaid Capitation Payments - NEW

The Senate adds language expressing legislative intent that PIHPs have the option to carry forward a portion of the nonfederal share of Medicaid capitation payments into the subsequent fiscal year.

Sec. 481. Centralized PIHP Risk Pool - NEW

New language is proposed by the Senate requiring the establishment of a board that includes representatives from each PIHP if the state creates a centralized PIHP risk pool and prohibiting the use of risk pool funds to offset reductions in other non-Medicaid mental payments to CMHSPs.

Sec. 483. Cost-Benefit Analysis of Suspension of Medicaid Status - NEW

The Senate proposes new language requiring DCH, in conjunction with the Department of Corrections, to prepare a cost-benefit analysis of suspending rather than terminating the Medicaid status of a recipient with serious mental illness or emotional disturbance who becomes incarcerated in a state or local correctional facility.

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

Sec. 609. Tobacco Use in State Psychiatric Facilities – NEW

A new Senate provision prohibits the use of all tobacco products in and on the grounds of state psychiatric facilities.

PUBLIC HEALTH

Sec. 652. Prisoner Ability to Obtain Birth Certificates - NEW

The Senate includes new language for the Department to cooperate with the Department of Corrections to maintain a process for prisoners to obtain birth certificates, and requires a report by April 1, 2009.

Sec. 1111. Family Planning and Pregnancy Prevention Services - MODIFIED

The Senate revises current law to require the Department to allocate no less than 91%, rather than 88%, of the funds appropriated for family planning local agreements and pregnancy prevention program for direct provision of services.

MEDICAL SERVICES

Sec. 1607. Presumed Eligibility for Medicaid – MODIFIED

The Senate adds two new subsections mandating: 1) enrollment of women whose qualifying condition is pregnancy into a Medicaid managed care plan, and 2) that these women receive a referral by their physician to a Medicaid participating dentist at the first pregnancy related appointment.

Major Boilerplate Changes From FY 2007-08

Sec. 1620. Pharmacy Dispensing Fee, Copayments, and Mail Order Drugs – MODIFIED

The Senate does not concur with the Executive's removal of Legislative intent language that states that if DCH realizes savings resulting from the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price, the savings shall be returned to pharmacies as an increase up to \$2.00 in the pharmacy dispensing fee. The Senate increases the pharmacy dispensing fees by \$0.75 per script.

Sec. 1650. Assignment of Persons to Medicaid HMOs – MODIFIED

Current language states that the Department may require Medicaid eligibles residing in counties which offer managed care to choose a health plan to enroll with. If the eligible person does not express a health plan preference one will be assigned. The Senate adds language indicating that the health plan assignment will be to the plan rated the highest on quality measures.

Sec. 1652. Health Plan Service Area Expansion – MODIFIED

The Senate does not concur with the Executive to remove language that states that if the Department implements changes allowing HMOs to request service area expansions, the HMOs must agree to: (1) not sell or transfer any portion of the HMO's assets or business for a period of three years, and (2) the HMO that expands into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has one or fewer HMOs participating in the Medicaid program. The Senate modifies current year language to require any new contracts with Medicaid health plans negotiated or signed, or both, during the fiscal year to include items (1) and (2) above.

Sec. 1680. Nursing Home Wage Pass Through – MODIFIED

The Senate adds intent language that would provide nursing home employees an enhanced wage or benefit equating to 50¢ per employee hour. Funding for the pass-through is supported by an appropriation increase in the Long-Term Care Services line.

Sec. 1717. Disproportionate Share Hospital Payments (DSH) – MODIFIED

The Executive deleted the entire section but the Senate modifies the language regarding the basis for the distribution of the \$5.0 million pool. The Senate changes the base year from FY 2003-04 to FY 2007-08 as the year for determining which hospitals would be eligible for the smaller DSH pool.

Sec. 1733. Electronic Prescribing and Health Information Technology Initiatives – MODIFIED

The Senate adds language that requires the Department to implement electronic prescribing for Medicaid by September 30, 2009.

Sec. 1783. Dual-Eligibles In Managed Care – NEW

New Senate language requires the Department to permit the enrollment of dual eligibles into Medicaid health plans if those health plans also maintain a Medicare Advantage special needs plan certified by CMS.

Sec. 1786. Low-Day Threshold for Hospitals – NEW

The Senate includes new language defining the reimbursement rate for inpatient admission services when the actual length of stay is less than the published low-day threshold. Requires the Department to define a low-day threshold of 1 as an inpatient stay of less than 24 hours.

Sec. 1789. Nursing Home Occupancy Ceiling Study – NEW

Senate includes language that requires the Department to study whether the current nursing home ceiling of 85% is adequate and to report its findings by April 1, 2009.

Sec. 1790. Creation of Single DSH Pool – NEW

New language is included in the Senate bill that requires the Department to work on a study of the potential for creation of a single hospital DSH pool. This study is to be done in cooperation with the Michigan Health and Hospital Association and is to be completed by April 1, 2009.

Sec. 1792. Study On Physician QAAP – NEW

New Senate language requires the Department to meet with Michigan State Medical Society and the Michigan Osteopathic Association to discuss the possible structure of a physician quality assurance assessment program.

Sec. 1793. Preventable Hospitalization Pilot Project - NEW

Senate language requires the Department to consider the development of a pilot project that focuses on the prevention of hospitalizations from nursing homes.

Sec. 1803. Single Point of Entry Pilot Projects Independent Review – NEW

New Senate language requires the Department to allocate \$100,000 within the Medical Services Administration line for an independent review of the single point of entry pilot projects program.