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BILL ANALYSIS

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FY 2008-09 Senate-Passed Gross Appropriation	**$12,482,872,700**

House Changes to Senate-Passed:

1. **Medicaid Base Funding**. The House included the expenditure portion of the May 15, 2008, Medicaid consensus, but not the fund source portion, for a savings of $14.9 million GF/GP.	(35,078,800)
2. **Healthy Michigan Fund**. The House concurred with the Governor and retained current-year funding for the Healthy Michigan Fund. The Senate had rolled Healthy Michigan Fund programming dollars into one line and had reduced the line.	10,753,200
3. **Executive Revisions**. The House included the Executive's proposed revisions to the budget. These revisions were technical and did not have any GF/GP impact.	(29,578,500)
4. **Rejection of Senate Changes to the Governor**. The House concurred with the Governor on reducing Community Mental Health (CMH) non-Medicaid funding by $7.3 million (all GF/GP), reducing the rate increase provided to nursing homes by 2.4% ($12.4 million GF/GP), funding efforts against sexually transmitted diseases and resistant staph infections ($1.3 million GF/GP), and fully funding the expansion of Long Term Care programs by $32.4 million ($12.9 million GF/GP). The Senate had rejected each of these initiatives, but had retained a $1.0 million increase for the Long Term Care programs.	(5,782,700)
5. **Rejection of Senate Changes to Medicaid Eligibility**. The House rejected the Senate's proposal to eliminate Medicaid coverage for Group 2 19- and 20-year-olds ($14.5 million GF/GP).	36,372,400
6. **Rejection of Senate Program Enhancements**. The House rejected a number of Senate initiatives, including increased funding for Medicaid physician primary care services ($7.0 million GF/GP), a 75-cent increase in the Medicaid pharmacy dispensing fee ($1.5 million GF/GP), funding to cover employee background checks ($1.0 million GF/GP), and an increase for CMH Multicultural Services ($710,000 GF/GP).	(23,104,200)
7. **Reduction of Governor's Proposed Increase in Hospital Quality Assurance Assessment Program (QAAP) Gainsharing**. The House reduced the Governor's proposed increase in Hospital QAAP Gainsharing from $25.4 million to $6.0 million, resulting in a $19.4 million GF/GP increase in appropriations. The Senate had concurred with the Governor.	0
8. **New House Initiatives**. The House included partial funding for the Governor's Mental Health Court proposal ($1.4 million GF/GP), increased funding for substance abuse services ($3.9 million GF/GP), and an increase in the personal care services rate ($534,000 GF/GP).	6,678,100
9. **Other House Changes**. Other House Changes, including an assumed $5.2 million Gross, $2.1 million GF/GP savings from annualizing the shift of Medicaid-eligible foster children to managed care, resulted in a net savings.	(4,419,900)
Total Changes...	($44,160,400)
FY 2008-09 House-Passed Gross Appropriation	**$12,438,712,300**

Changes from FY 2008-09 Senate-Passed:

1. **Prescription Drug Website.** The House did not concur with the Senate's proposal for an expanded State prescription drug website. (Sec. 285)

2. **PIHP Carry Forward of Medicaid Payments.** The House rejected the Senate's decision to allow the State's 18 Prepaid Inpatient Health Plans to carryforward a portion of the non-Federal share of any Medicaid capitation payment provided in the current fiscal year into the immediately following year. (Sec. 430)

3. **Mental Health Courts.** The House concurred with the Governor in requiring the Department to work towards the establishment of mental health court pilot programs. The Senate did not support this initiative. (Sec. 459)

4. **Odyssey House Funding.** The House did not concur with the Senate's decision to secure funding for the Odyssey House at levels in effect during fiscal year 2007-08. (Sec. 482)

5. **Jail Diversion Workgroup.** The House included new language expressing legislative intent that the Department convene a workgroup of relevant stakeholders to examine and evaluate jail diversion programs by CMHSPs, the Michigan Prisoner Re-Entry Initiative, and Mental Health Court Programs. (Sec. 485)

6. **Tobacco Ban for Psychiatric Facilities.** The House rejected the Senate's decision to ban the use of tobacco products in and on the grounds of State psychiatric facilities. (Sec. 609)

7. **Nursing Home Background Checks.** The House rejected the Senate's decision to require the Department to incur the costs of background checks for newly hired nursing home employees. (Sec. 721)

8. **Loan Repayment Eligibility.** The House did not concur with the Senate's decision to offer medical professionals accepted into the Michigan Essential Health Provider program eligibility for three years of loan repayments; the House increased eligibility to four years. (Sec. 722)

9. **Michigan After-School Partnership.** The House included new language directing the Department to work with other State agencies to implement policy recommendations as outlined in the Michigan After-School Initiative's report of December 15, 2003. (Sec. 1115)

10. **Coordinated Perinatal Workgroup.** The House included new language directing the Department to work with relevant stakeholders to determine the efficacy and impact of restoring a coordinated perinatal system in Michigan. (Sec. 1116)

11. **Nursing Home Wage/Benefit Pass-Through.** The House concurred with the Senate in requiring that a portion of the variable cost rate increase for nursing homes be used to increase employee wages and/or benefits. (Sec. 1680)

12. **Electronic Prescribing Mandate.** The House did not concur with the Senate's decision to require the Department to develop and implement an e-prescribing system for the State's Medicaid program. (Sec. 1733)

13. **Expansion of County Health Plans.** The House included new language with the intent of allocating funds for the expansion of county health plans. (Sec. 1806)

Date Completed: 6-9-08   Fiscal Analysts: Steve Angelotti and Matt Grabowski

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

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