

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1094

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to create funds; to require and 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:

1
2
3
4
5

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2009,

1 from the funds indicated in this part. The following is a summary
 2 of the appropriations in this part:

3 **DEPARTMENT OF COMMUNITY HEALTH**

4 APPROPRIATION SUMMARY:

5	Full-time equated unclassified positions.....	6.0	
6	Full-time equated classified positions.....	4,596.7	
7	Average population	970.4	
8	GROSS APPROPRIATION.....		\$ 12,438,712,300
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers		40,883,900
12	ADJUSTED GROSS APPROPRIATION.....		\$ 12,397,828,400
13	Federal revenues:		
14	Total federal revenues.....		7,146,514,600
15	Special revenue funds:		
16	Total local revenues.....		241,578,600
17	Total private revenues.....		66,686,800
18	Merit award trust fund.....		98,700,000
19	Total other state restricted revenues.....		1,742,591,200
20	State general fund/general purpose.....		\$ 3,101,757,200
21	Sec. 102. DEPARTMENTWIDE ADMINISTRATION		
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	206.2	
24	Director and other unclassified--6.0 FTE positions ...		\$ 598,600
25	Departmental administration and management--171.2 FTE		
26	positions		21,908,000
27	Internal audit consolidation.....		759,000

1	Office of long-term care supports and services--25.0		
2	FTE positions		3,882,000
3	Worker's compensation program.....		8,911,000
4	Rent and building occupancy.....		10,535,000
5	Developmental disabilities council and projects--10.0		
6	FTE positions		<u>2,774,500</u>
7	GROSS APPROPRIATION.....	\$	49,368,100
8	Appropriated from:		
9	Federal revenues:		
10	Total federal revenues.....		15,418,800
11	Special revenue funds:		
12	Total private revenues.....		76,000
13	Total other state restricted revenues.....		3,242,700
14	State general fund/general purpose.....	\$	30,630,600
15	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES		
16	ADMINISTRATION AND SPECIAL PROJECTS		
17	Full-time equated classified positions..... 109.0		
18	Mental health/substance abuse program administration--		
19	108.0 FTE positions	\$	13,276,500
20	Consumer involvement program.....		189,100
21	Gambling addiction--1.0 FTE position.....		3,000,000
22	Protection and advocacy services support.....		777,400
23	Mental health initiatives for older persons.....		1,291,200
24	Community residential and support services.....		2,514,600
25	Highway safety projects.....		400,000
26	Federal and other special projects.....		3,547,200
27	Family support subsidy.....		18,599,200

1	Housing and support services.....		<u>9,306,800</u>
2	GROSS APPROPRIATION.....	\$	52,902,000
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		35,041,800
6	Special revenue funds:		
7	Total private revenues.....		190,000
8	Total other state restricted revenues.....		3,000,000
9	State general fund/general purpose.....	\$	14,670,200
10	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE		
11	SERVICES PROGRAMS		
12	Full-time equated classified positions.....	9.5	
13	Medicaid mental health services.....	\$	1,781,688,900
14	Community mental health non-Medicaid services.....		315,066,700
15	Medicaid adult benefits waiver.....		40,000,000
16	Multicultural services.....		5,763,800
17	Medicaid substance abuse services.....		36,261,000
18	Respite services.....		1,000,000
19	CMHSP, purchase of state services contracts.....		134,605,300
20	Civil service charges.....		1,499,300
21	Federal mental health block grant--2.5 FTE positions .		15,368,300
22	State disability assistance program substance abuse		
23	services		3,959,800
24	Community substance abuse prevention, education, and		
25	treatment programs		87,418,000
26	Children's waiver home care program.....		19,549,800
27	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....		12,150,400

1	Mental health court pilot programs	1,434,100
2	Children with serious emotional disturbance waiver ...	<u>570,000</u>
3	GROSS APPROPRIATION.....	\$ 2,456,335,400
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	1,227,471,600
7	Special revenue funds:	
8	Total local revenues.....	25,228,900
9	Total other state restricted revenues.....	101,322,700
10	State general fund/general purpose.....	\$ 1,102,312,200
11	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
12	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC	
13	AND PRISON MENTAL HEALTH SERVICES	
14	Total average population	970.4
15	Full-time equated classified positions.....	2,818.7
16	Caro regional mental health center - psychiatric	
17	hospital - adult--404.0 FTE positions.....	\$ 44,236,200
18	Average population	158.0
19	Kalamazoo psychiatric hospital - adult--431.5 FTE	
20	positions	42,646,000
21	Average population	167.6
22	Walter P. Reuther psychiatric hospital - adult--444.2	
23	FTE positions	45,533,500
24	Average population	238.8
25	Hawthorn center - psychiatric hospital - children and	
26	adolescents--250.8 FTE positions.....	22,749,700
27	Average population	78.6

1	Mount Pleasant center - developmental disabilities--	
2	393.3 FTE positions	43,198,700
3	Average population	117.4
4	Center for forensic psychiatry--578.6 FTE positions ..	60,482,600
5	Average population	210.0
6	Forensic mental health services provided to the	
7	department of corrections--316.3 FTE positions.....	39,344,800
8	Revenue recapture.....	750,000
9	IDEA, federal special education.....	120,000
10	Special maintenance and equipment.....	335,300
11	Purchase of medical services for residents of	
12	hospitals and centers	1,045,600
13	Closed site, transition, and related costs.....	100
14	Severance pay.....	216,900
15	Gifts and bequests for patient living and treatment	
16	environment	<u>1,000,000</u>
17	GROSS APPROPRIATION.....	\$ 301,659,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	Interdepartmental grant from the department of	
21	corrections	39,344,800
22	Federal revenues:	
23	Total federal revenues.....	38,400,900
24	Special revenue funds:	
25	CMHSP, purchase of state services contracts.....	134,605,300
26	Other local revenues.....	16,811,700
27	Total private revenues.....	1,000,000

1	Total other state restricted revenues	14,736,500
2	State general fund/general purpose	\$ 56,760,200
3	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
4	Full-time equated classified positions.....	99.7
5	Public health administration--8.3 FTE positions	\$ 2,212,300
6	Minority health grants and contracts--3.0 FTE	
7	positions	1,493,200
8	Promotion of healthy behaviors	1,700,000
9	Vital records and health statistics--88.4 FTE	
10	positions	<u>11,199,800</u>
11	GROSS APPROPRIATION.....	\$ 16,605,300
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	Interdepartmental grant from the department of human	
15	services	981,600
16	Federal revenues:	
17	Total federal revenues.....	6,018,400
18	Special revenue funds:	
19	Total private revenues.....	2,000,000
20	Total other state restricted revenues	6,001,100
21	State general fund/general purpose	\$ 1,604,200
22	Sec. 107. HEALTH POLICY, REGULATION, AND	
23	PROFESSIONS	
24	Full-time equated classified positions.....	403.6
25	Health systems administration--193.6 FTE positions ...	\$ 22,959,800
26	Emergency medical services program state staff--8.5	
27	FTE positions	1,476,200

1	Radiological health administration--21.4 FTE positions	2,747,100
2	Emergency medical services grants and services	660,000
3	Health professions--130.0 FTE positions	23,607,700
4	Background check program--5.5 FTE positions	3,956,400
5	Health policy, regulation, and professions	
6	administration--25.2 FTE positions.....	2,949,000
7	Nurse scholarship, education, and research program--	
8	3.0 FTE positions	991,000
9	Certificate of need program administration--14.0 FTE	
10	positions	1,775,100
11	Rural health services--1.0 FTE position.....	1,404,500
12	Michigan essential health provider.....	1,952,100
13	Primary care services--1.4 FTE positions	<u>4,216,700</u>
14	GROSS APPROPRIATION.....	\$ 68,695,600
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	Interdepartmental grant from the department of	
18	treasury, Michigan state hospital finance authority.	116,300
19	Federal revenues:	
20	Total federal revenues.....	26,015,300
21	Special revenue funds:	
22	Total local revenues.....	227,700
23	Total private revenues.....	455,000
24	Total other state restricted revenues.....	33,262,900
25	State general fund/general purpose.....	\$ 8,618,400
26	Sec. 108. INFECTIOUS DISEASE CONTROL	
27	Full-time equated classified positions.....	51.7

1	AIDS prevention, testing, and care programs--12.7 FTE		
2	positions	\$	38,468,200
3	Immunization local agreements.....		13,990,300
4	Immunization program management and field support--		
5	15.0 FTE positions		2,008,200
6	Pediatric AIDS prevention and control--1.0 FTE		
7	position		1,225,200
8	Sexually transmitted disease control local agreements		4,093,700
9	Sexually transmitted disease control management and		
10	field support--23.0 FTE positions.....		<u>3,953,200</u>
11	GROSS APPROPRIATION.....	\$	63,738,800
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues.....		42,077,900
15	Special revenue funds:		
16	Total private revenues.....		7,997,900
17	Total other state restricted revenues.....		7,834,200
18	State general fund/general purpose.....	\$	5,828,800
19	Sec. 109. LABORATORY SERVICES		
20	Full-time equated classified positions..... 123.0		
21	Bovine tuberculosis--1.0 FTE position.....	\$	250,400
22	Laboratory services--122.0 FTE positions.....		<u>19,212,000</u>
23	GROSS APPROPRIATION.....	\$	19,462,400
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	Interdepartmental grant from the department of		
27	environmental quality		441,200

1	Federal revenues:	
2	Total federal revenues.....	2,799,400
3	Special revenue funds:	
4	Total other state restricted revenues.....	8,343,200
5	State general fund/general purpose.....	\$ 7,878,600
6	Sec. 110. EPIDEMIOLOGY	
7	Full-time equated classified positions.....	129.4
8	AIDS surveillance and prevention program.....	\$ 2,254,100
9	Asthma prevention and control--2.6 FTE positions.....	1,065,100
10	Bioterrorism preparedness--68.6 FTE positions.....	50,369,300
11	Epidemiology administration--41.7 FTE positions.....	7,111,000
12	Lead abatement program--7.0 FTE positions.....	2,177,800
13	Methamphetamine cleanup fund.....	100,000
14	Newborn screening follow-up and treatment services--	
15	9.5 FTE positions.....	4,534,500
16	Tuberculosis control and prevention.....	<u>867,000</u>
17	GROSS APPROPRIATION.....	\$ 68,478,800
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	59,411,300
21	Special revenue funds:	
22	Total local revenues.....	500,000
23	Total private revenues.....	25,000
24	Total other state restricted revenues.....	4,996,900
25	State general fund/general purpose.....	\$ 3,545,600
26	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
27	Implementation of 1993 PA 133, MCL 333.17015.....	\$ 50,000

1	Local health services.....	220,000
2	Local public health operations.....	42,618,400
3	Medicaid outreach cost reimbursement to local health	
4	departments	<u>9,000,000</u>
5	GROSS APPROPRIATION.....	\$ 51,888,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	9,000,000
9	Special revenue funds:	
10	Total local revenues.....	5,150,000
11	Total other state restricted revenues.....	220,000
12	State general fund/general purpose.....	\$ 37,518,400
13	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
14	HEALTH PROMOTION	
15	Full-time equated classified positions..... 70.3	
16	African-American male health initiative.....	\$ 106,700
17	AIDS and risk reduction clearinghouse and media	
18	campaign	1,351,000
19	Alzheimer's information network.....	389,500
20	Cancer prevention and control program--12.0 FTE	
21	positions	15,188,500
22	Chronic disease prevention--22.7 FTE positions.....	5,683,200
23	Diabetes and kidney program--12.2 FTE positions.....	4,002,200
24	Health education, promotion, and research programs--	
25	6.5 FTE positions	812,500
26	Injury control intervention project.....	104,500
27	Michigan Parkinson's foundation.....	50,000

1	Morris Hood Wayne State University diabetes outreach .	400,000
2	Physical fitness, nutrition, and health.....	700,100
3	Public health traffic safety coordination--1.0 FTE	
4	position	356,400
5	Smoking prevention program--14.0 FTE positions	5,724,500
6	Tobacco tax collection and enforcement	610,000
7	Violence prevention--1.9 FTE positions	<u>1,889,800</u>
8	GROSS APPROPRIATION.....	\$ 37,368,900
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	21,309,500
12	Special revenue funds:	
13	Total private revenues.....	146,600
14	Total other state restricted revenues	14,758,500
15	State general fund/general purpose	\$ 1,154,300
16	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
17	SERVICES	
18	Full-time equated classified positions..... 52.3	
19	Adolescent and child health care centers.....	\$ 100
20	Childhood lead program--6.0 FTE positions	2,557,500
21	Dental programs.....	485,400
22	Dental program for persons with developmental	
23	disabilities	151,000
24	Early childhood collaborative secondary prevention ...	524,000
25	Family, maternal, and children's health services	
26	administration--40.6 FTE positions.....	5,184,900
27	Family planning local agreements.....	9,793,800

1	Local MCH services.....	7,264,200
2	Migrant health care.....	272,200
3	Pregnancy prevention program.....	5,235,400
4	Prenatal care outreach and service delivery support ..	3,049,300
5	School health and education programs.....	500,000
6	Special projects--5.7 FTE positions.....	4,042,300
7	Sudden infant death syndrome program.....	<u>321,300</u>
8	GROSS APPROPRIATION.....	\$ 39,381,400
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	25,976,600
12	Special revenue funds:	
13	Total local revenues.....	75,000
14	Total other state restricted revenues.....	8,037,500
15	State general fund/general purpose.....	\$ 5,292,300
16	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
17	NUTRITION PROGRAM	
18	Full-time equated classified positions..... 43.0	
19	Women, infants, and children program administration	
20	and special projects--43.0 FTE positions.....	\$ 8,955,100
21	Women, infants, and children program local agreements	
22	and food costs	<u>201,845,500</u>
23	GROSS APPROPRIATION.....	\$ 210,800,600
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	157,556,300
27	Special revenue funds:	

1	Total private revenues.....		53,244,300
2	State general fund/general purpose.....	\$	0
3	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
4	Full-time equated classified positions.....		47.8
5	Children's special health care services		
6	administration--47.8 FTE positions.....	\$	4,540,100
7	Amputee program.....		184,600
8	Requests for care and services.....		1,514,600
9	Outreach and advocacy.....		3,773,500
10	Nonemergency medical transportation.....		1,492,200
11	Medical care and treatment.....		<u>193,754,200</u>
12	GROSS APPROPRIATION.....	\$	205,259,200
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		102,085,400
16	Special revenue funds:		
17	Total private revenues.....		1,000,000
18	Total other state restricted revenues.....		2,295,300
19	State general fund/general purpose.....	\$	99,878,500
20	Sec. 116. OFFICE OF DRUG CONTROL POLICY		
21	Full-time equated classified positions.....		15.0
22	Drug control policy--15.0 FTE positions.....	\$	1,754,300
23	Anti-drug abuse grants.....		8,575,000
24	Interdepartmental grant to judiciary for drug		
25	treatment courts		<u>1,800,000</u>
26	GROSS APPROPRIATION.....	\$	12,129,300
27	Appropriated from:		

1	Federal revenues:		
2	Total federal revenues.....		11,747,000
3	State general fund/general purpose.....	\$	382,300
4	Sec. 117. CRIME VICTIM SERVICES COMMISSION		
5	Full-time equated classified positions.....	10.0	
6	Grants administration services--10.0 FTE positions ...	\$	1,395,000
7	Justice assistance grants.....		13,000,000
8	Crime victim rights services grants.....		11,000,000
9	Crime victim's rights fund revenue to Michigan state		
10	police		1,030,400
11	Crime victim's rights fund revenue to department of		
12	human services		<u>1,300,000</u>
13	GROSS APPROPRIATION.....	\$	27,725,400
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		15,050,500
17	Special revenue funds:		
18	Total other state restricted revenues.....		12,674,900
19	State general fund/general purpose.....	\$	0
20	Sec. 118. OFFICE OF SERVICES TO THE AGING		
21	Full-time equated classified positions.....	36.5	
22	Commission (per diem \$50.00).....	\$	10,500
23	Office of services to aging administration--36.5 FTE		
24	positions		5,366,400
25	Community services.....		35,504,200
26	Nutrition services.....		37,922,500
27	Foster grandparent volunteer program.....		2,813,500

1	Retired and senior volunteer program.....	790,200
2	Senior companion volunteer program.....	2,021,200
3	Employment assistance.....	3,213,300
4	Respite care program.....	<u>6,800,000</u>
5	GROSS APPROPRIATION.....	\$ 94,441,800
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	53,414,800
9	Special revenue funds:	
10	Total private revenues.....	152,000
11	Merit award trust fund.....	5,000,000
12	Total other state restricted revenues.....	1,967,000
13	State general fund/general purpose.....	\$ 33,908,000
14	Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN	
15	Michigan first healthcare plan.....	\$ <u>100,000,000</u>
16	GROSS APPROPRIATION.....	\$ 100,000,000
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	100,000,000
20	State general fund/general purpose.....	\$ 0
21	Sec. 120. MEDICAL SERVICES ADMINISTRATION	
22	Full-time equated classified positions..... 371.0	
23	Medical services administration--371.0 FTE positions .	\$ 61,706,300
24	Facility inspection contract.....	132,800
25	MICHild administration.....	4,327,800
26	Health information technology initiatives.....	<u>5,000,000</u>
27	GROSS APPROPRIATION.....	\$ 71,166,900

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	46,020,200
4	Special revenue funds:	
5	Total local revenues.....	5,000
6	Total other state restricted revenues.....	95,000
7	State general fund/general purpose.....	\$ 25,046,700
8	Sec. 121. MEDICAL SERVICES	
9	Hospital services and therapy.....	\$ 1,380,608,800
10	Hospital disproportionate share payments.....	50,000,000
11	Physician services.....	297,878,900
12	Medicare premium payments.....	341,121,700
13	Pharmaceutical services.....	260,109,000
14	Home health services.....	5,758,200
15	Hospice services.....	99,398,100
16	Transportation.....	10,169,300
17	Auxiliary medical services.....	9,668,600
18	Dental services.....	124,140,900
19	Ambulance services.....	12,440,500
20	Long-term care services.....	1,492,804,300
21	Medicaid home- and community-based services waiver...	167,811,500
22	Adult home help services.....	261,558,000
23	Personal care services.....	19,247,500
24	Program of all-inclusive care for the elderly.....	16,600,000
25	Single point of entry.....	14,724,200
26	Health plan services.....	3,084,105,500
27	MIChild program.....	32,535,400

1	Plan first family planning waiver.....	5,785,500
2	Medicaid adult benefits waiver.....	134,837,900
3	County indigent care and third share plans.....	88,518,600
4	Federal Medicare pharmaceutical program.....	178,055,800
5	Promotion of healthy behavior waiver.....	10,000,000
6	Maternal and child health.....	20,279,500
7	Social services to the physically disabled.....	1,344,900
8	Subtotal basic medical services program.....	8,119,502,600
9	School-based services.....	89,201,000
10	Special Medicaid reimbursement.....	230,206,200
11	Subtotal special medical services payments.....	<u>319,407,200</u>
12	GROSS APPROPRIATION.....	\$ 8,438,909,800
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	5,114,900,500
16	Special revenue funds:	
17	Total local revenues.....	58,975,000
18	Total private revenues.....	400,000
19	Merit award trust fund.....	93,700,000
20	Total other state restricted revenues.....	1,516,200,700
21	State general fund/general purpose.....	\$ 1,654,733,600
22	Sec. 122. INFORMATION TECHNOLOGY	
23	Information technology services and projects.....	\$ 35,593,700
24	Michigan Medicaid information system.....	<u>16,801,100</u>
25	GROSS APPROPRIATION.....	\$ 52,394,800
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues.....	36,798,400
2	Special revenue funds:	
3	Total other state restricted revenues.....	3,602,100
4	State general fund/general purpose.....	\$ 11,994,300

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending from state resources
10 under part 1 for fiscal year 2008-2009 is \$4,943,048,400.00 and
11 state spending from state resources to be paid to local units of
12 government for fiscal year 2008-2009 is \$1,289,664,800.00. The
13 itemized statement below identifies appropriations from which
14 spending to local units of government will occur:

15 DEPARTMENT OF COMMUNITY HEALTH

16 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

17 AND SPECIAL PROJECTS

18	Community residential and support services.....	\$ 387,300
19	Housing and support services.....	695,500
20	Mental health initiatives for older persons.....	1,049,200
21	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
22	State disability assistance program substance	
23	abuse services	\$ 3,959,800
24	Community substance abuse prevention, education, and	
25	treatment programs	21,640,500

1	Medicaid mental health services.....		682,636,000
2	Community mental health non-Medicaid services.....		315,066,700
3	Medicaid adult benefits waiver.....		11,124,000
4	Multicultural services.....		5,763,800
5	Medicaid substance abuse services.....		14,406,500
6	Respite services.....		1,000,000
7	Children's waiver home care program.....		5,437,000
8	Nursing home PASARR.....		2,731,800
9	Mental health court pilot programs.....		1,434,100
10	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
11	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
12	MENTAL HEALTH SERVICES		
13	Center for forensic psychiatry.....	\$	290,300
14	PUBLIC HEALTH ADMINISTRATION		
15	Minority health grants and contracts.....	\$	100,000
16	Public health administration.....		12,000
17	HEALTH POLICY, REGULATION AND PROFESSIONS		
18	Primary care services.....	\$	88,900
19	INFECTIOUS DISEASE CONTROL		
20	AIDS prevention, testing and care programs.....	\$	824,400
21	Immunization local agreements.....		2,125,700
22	Sexually transmitted disease control local agreements		421,800
23	EPIDEMIOLOGY		
24	Methamphetamine cleanup fund.....	\$	100,000
25	LOCAL HEALTH ADMINISTRATION AND GRANTS		
26	Implementation of 1993 PA 133.....	\$	5,300
27	Local public health operations.....		37,468,400

1	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
2	Cancer prevention and control program.....	\$	350,300
3	Diabetes and kidney program.....		313,100
4	Smoking prevention program.....		906,200
5	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
6	Childhood lead program.....	\$	240,300
7	Dental programs.....		25,000
8	Family planning local agreements.....		111,300
9	Local MCH services.....		184,600
10	Pregnancy prevention program.....		1,772,400
11	Prenatal care outreach and service delivery support ..		697,800
12	School health and education programs.....		300,000
13	Special projects.....		657,500
14	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
15	Medical care and treatment.....	\$	618,000
16	Outreach and advocacy.....		1,283,200
17	MEDICAL SERVICES		
18	Dental services.....	\$	2,035,500
19	Long-term care services.....		109,353,700
20	Transportation.....		2,799,600
21	Medicaid adult benefits waiver.....		9,664,700
22	Hospital services and therapy.....		6,278,600
23	Physician services.....		5,556,100
24	OFFICE OF SERVICES TO THE AGING		
25	Community services.....	\$	14,425,000
26	Nutrition services.....		11,405,600
27	Foster grandparent volunteer program.....		496,700

1	Retired and senior volunteer program.....	188,000
2	Senior companion volunteer program.....	96,600
3	Respite care program.....	4,336,000
4	CRIME VICTIM SERVICES COMMISSION	
5	Crime victim rights services grants.....	\$ <u>6,800,000</u>
6	TOTAL OF PAYMENTS TO LOCAL UNITS	
7	OF GOVERNMENT.....	\$ 1,289,664,800

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

11 (2) Funds for which the state is acting as the custodian or
12 agent are not subject to annual appropriation.

13 Sec. 203. As used in this act:

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

15 (b) "CMHSP" means a community mental health services program
16 as that term is defined in section 100a of the mental health code,
17 1974 PA 258, MCL 330.1100a.

18 (c) "Department" means the Michigan department of community
19 health.

20 (d) "Director" means the director of the department.

21 (e) "DSH" means disproportionate share hospital.

22 (f) "EPSDT" means early and periodic screening, diagnosis, and
23 treatment.

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

1 (h) "FTE" means full-time equated.

2 (i) "GME" means graduate medical education.

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

6 (k) "HIV/AIDS" means human immunodeficiency virus/acquired
7 immune deficiency syndrome.

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

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

11 (n) "IDG" means interdepartmental grant.

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

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

14 (q) "MSS/ISS" means maternal and infant support services.

15 (r) "PASARR" means the preadmission screening and annual
16 resident review required under the omnibus budget reconciliation
17 act of 1987, section 1919(e)(7) of the social security act, 42 USC
18 1396r.

19 (s) "PIHP" means a specialty prepaid inpatient health plan for
20 Medicaid mental health services, services to persons with
21 developmental disabilities, and substance abuse services as
22 described in section 232b of the mental health code, 1974 PA 258,
23 MCL 330.1232b.

24 (t) "Title XVIII" means title XVIII of the social security
25 act, 42 USC 1395 to 1395hhh.

26 (u) "Title XIX" means title XIX of the social security act, 42
27 USC 1396 to 1396v.

1 (v) "Title XX" means title XX of the social security act, 42
2 USC 1397 to 1397f.

3 (w) "WIC" means women, infants, and children supplemental
4 nutrition program.

5 Sec. 204. The civil service commission shall bill the
6 department at the end of the first fiscal quarter for the 1% charge
7 authorized by section 5 of article XI of the state constitution of
8 1963. The department shall pay the total amount of the billing by
9 the end of the second fiscal quarter.

10 Sec. 205. (1) A hiring freeze is imposed on the state
11 classified civil service. State departments and agencies are
12 prohibited from hiring any new state classified civil service
13 employees and prohibited from filling any vacant state classified
14 civil service positions. This hiring freeze does not apply to
15 internal transfers of classified employees from 1 position to
16 another within a department.

17 (2) The state budget director may grant exceptions to this
18 hiring freeze when the state budget director believes that the
19 hiring freeze will result in rendering a state department or agency
20 unable to deliver basic services, causes loss of revenue to the
21 state, would result in the inability of the state to receive
22 federal funds, or would necessitate additional expenditures that
23 exceed any savings from maintaining a vacancy. The state budget
24 director shall report quarterly to the chairpersons of the senate
25 and house of representatives standing committees on appropriations
26 the number of exceptions to the hiring freeze approved during the
27 previous quarter and the reasons to justify the exception.

1 Sec. 206. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$100,000,000.00 for
3 federal contingency funds. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in this act under section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

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

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

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

25 Sec. 208. The department shall use the Internet to fulfill the
26 reporting requirements of this act. This requirement may include
27 transmission of reports via electronic mail to the recipients

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

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

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

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

25 (2) The department shall provide a report to the senate and
26 house appropriations subcommittees on community health and the
27 senate and house fiscal agencies on the balance of each of the

1 restricted funds administered by the department as of September 30
2 of the current fiscal year.

3 Sec. 212. (1) From the amounts appropriated in part 1, no
4 greater than the following amounts are supported with federal
5 maternal and child health block grant, preventive health and health
6 services block grant, substance abuse block grant, healthy Michigan
7 fund, and Michigan health initiative funds:

8	(a) Maternal and child health block grant	\$ 19,928,100
9	(b) Preventive health and health services	
10	block grant	3,589,800
11	(c) Substance abuse block grant	60,627,400
12	(d) Healthy Michigan fund	41,827,600
13	(e) Michigan health initiative	9,100,000

14 (2) On or before February 1 of the current fiscal year, the
15 department shall report to the house of representatives and senate
16 appropriations subcommittees on community health, the house and
17 senate fiscal agencies, and the state budget director on the
18 detailed name and amounts of federal, restricted, private, and
19 local sources of revenue that support the appropriations in each of
20 the line items in part 1 of this act.

21 (3) Upon the release of the fiscal year 2009-2010 executive
22 budget recommendation, the department shall report to the same
23 parties in subsection (2) on the amounts and detailed sources of
24 federal, restricted, private, and local revenue proposed to support
25 the total funds appropriated in each of the line items in part 1 of
26 the fiscal year 2009-2010 executive budget proposal.

27 (4) The department shall provide to the same parties in

1 subsection (2) all revenue source detail for consolidated revenue
2 line item detail upon request to the department.

3 Sec. 213. The state departments, agencies, and commissions
4 receiving tobacco tax funds and healthy Michigan funds from part 1
5 shall report by April 1 of the current fiscal year to the senate
6 and house of representatives appropriations committees, the senate
7 and house fiscal agencies, and the state budget director on the
8 following:

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

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

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

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

19 (e) Any other information considered necessary by the house of
20 representatives or senate appropriations committees or the state
21 budget director.

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

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

6 (3) The department shall report by March 15 of the current
7 fiscal year to the house of representatives and senate
8 appropriations subcommittees on community health on all
9 reimbursements, refunds, adjustments, and settlements from prior
10 years.

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

15 (a) Immunizations.

16 (b) Communicable disease control.

17 (c) Sexually transmitted disease control.

18 (d) Tuberculosis control.

19 (e) Prevention of gonorrhoea eye infection in newborns.

20 (f) Screening newborns for the conditions listed in section
21 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
22 recommended by the newborn screening quality assurance advisory
23 committee created under section 5430 of the public health code,
24 1978 PA 368, MCL 333.5430.

25 (g) Community health annex of the Michigan emergency
26 management plan.

27 (h) Prenatal care.

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

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

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

16 (c) The expected project duration.

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

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

26 Sec. 220. All contracts with the Michigan public health
27 institute funded with appropriations in part 1 shall include a

1 requirement that the Michigan public health institute submit to
2 financial and performance audits by the state auditor general of
3 projects funded with state appropriations.

4 Sec. 223. The department may establish and collect fees for
5 publications, videos and related materials, conferences, and
6 workshops. Collected fees shall be used to offset expenditures to
7 pay for printing and mailing costs of the publications, videos and
8 related materials, and costs of the workshops and conferences. The
9 costs shall not exceed fees collected.

10 Sec. 248. The department shall continue to allow ambulatory
11 surgery centers in this state to fully participate in the Medicaid
12 program when hospitals are reimbursed for Medicaid services through
13 the new Michigan Medicaid information system. Ambulatory surgery
14 centers that provide services to Medicaid-eligible patients shall
15 be reimbursed in the same manner as hospitals. The reimbursement
16 schedule for ambulatory surgery centers that was developed and
17 implemented in consultation with the industry in fiscal year 2007-
18 2008 shall continue to be used in fiscal year 2008-2009.

19 Sec. 259. From the funds appropriated in part 1 for
20 information technology, the department shall pay user fees to the
21 department of information technology for technology-related
22 services and projects. Such user fees shall be subject to
23 provisions of an interagency agreement between the department and
24 the department of information technology.

25 Sec. 260. Amounts appropriated in part 1 for information
26 technology may be designated as work projects and carried forward
27 to support technology projects under the direction of the

1 department of information technology. Funds designated in this
2 manner are not available for expenditure until approved as work
3 projects under section 451a of the management and budget act, 1984
4 PA 431, MCL 18.1451a.

5 Sec. 261. Funds appropriated in part 1 for the Medicaid
6 management information system upgrade are contingent upon approval
7 of an advanced planning document from the centers for Medicare and
8 Medicaid services. If the necessary matching funds are identified
9 and legislatively transferred to this line item, the corresponding
10 federal Medicaid revenue shall be appropriated at a 90/10
11 federal/state match rate. This appropriation may be designated as a
12 work project and carried forward to support completion of this
13 project.

14 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid
15 state plan amendment, or a similar proposal to the centers for
16 Medicare and Medicaid services, the department shall notify the
17 house of representatives and senate appropriations subcommittees on
18 community health and the house and senate fiscal agencies of the
19 submission.

20 (2) The department shall provide written or verbal quarterly
21 reports to the senate and house appropriations subcommittees on
22 community health and the senate and house fiscal agencies
23 summarizing the status of any significant discussions with the
24 centers for Medicare and Medicaid services or the federal
25 department of health and human services regarding potential or new
26 Medicaid waiver applications.

27 Sec. 265. The departments and agencies receiving

1 appropriations in part 1 shall receive and retain copies of all
2 reports funded from appropriations in part 1. Federal and state
3 guidelines for short-term and long-term retention of records shall
4 be followed.

5 Sec. 266. (1) Due to the current budgetary problems in this
6 state, out-of-state travel shall be limited to situations in which
7 1 or more of the following conditions apply:

8 (a) The travel is required by legal mandate or court order or
9 for law enforcement purposes.

10 (b) The travel is necessary to protect the health or safety of
11 Michigan citizens or visitors or to assist other states in similar
12 circumstances.

13 (c) The travel is necessary to produce budgetary savings or to
14 increase state revenues, including protecting existing federal
15 funds or securing additional federal funds.

16 (d) The travel is necessary to comply with federal
17 requirements.

18 (e) The travel is necessary to secure specialized training for
19 staff that is not available within this state.

20 (f) The travel is financed entirely by federal or nonstate
21 funds.

22 (2) If out-of-state travel is necessary but does not meet 1 or
23 more of the conditions in subsection (1), the state budget director
24 may grant an exception to allow the travel. Any exceptions granted
25 by the state budget director shall be reported on a monthly basis
26 to the house of representatives and senate standing committees on
27 appropriations.

1 (3) Not later than January 1 of each year, each department
2 shall prepare a travel report listing all travel by classified and
3 unclassified employees outside this state in the immediately
4 preceding fiscal year that was funded in whole or in part with
5 funds appropriated in the department's budget. The report shall be
6 submitted to the chairs and members of the house of representatives
7 and senate standing committees on appropriations, the fiscal
8 agencies, and the state budget director. The report shall include
9 the following information:

10 (a) The name of each person receiving reimbursement for travel
11 outside this state or whose travel costs were paid by this state.

12 (b) The destination of each travel occurrence.

13 (c) The dates of each travel occurrence.

14 (d) A brief statement of the reason for each travel
15 occurrence.

16 (e) The transportation and related costs of each travel
17 occurrence, including the proportion funded with state general
18 fund/general purpose revenues, the proportion funded with state-
19 restricted revenues, the proportion funded with federal revenues,
20 and the proportion funded with other revenues.

21 (f) A total of all out-of-state travel funded for the
22 immediately preceding fiscal year.

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

26 Sec. 269. The amount appropriated in part 1 for medical
27 services pharmaceutical services includes funds to cover

1 reimbursement of mental health medications under the Medicaid
2 program. Reimbursement procedures for mental health medications
3 shall be the same as those that were followed in fiscal year 2005-
4 2006, and utilization procedures for such medications shall adhere
5 to section 1625, the department's fiscal year 2006-2007 contract
6 with Medicaid health plans, and section 109h of the social welfare
7 act, 1939 PA 280, MCL 400.109h.

8 Sec. 270. Within 30 days after receipt of the notification
9 from the attorney general's office of a legal action in which
10 expenses had been recovered pursuant to section 106(4) of the
11 social welfare act, 1939 PA 280, MCL 400.106, or any other statute
12 under which the department has the right to recover expenses, the
13 department shall submit a written report to the house of
14 representatives and senate appropriations subcommittees on
15 community health, the house and senate fiscal agencies, and the
16 state budget office which includes, at a minimum, all of the
17 following:

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

19 (b) The program or service for which the money was originally
20 expended.

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

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

25 Sec. 271. (1) A PIHP, Medicaid HMO, and federally qualified
26 health center may establish and implement an early mental health
27 services intervention pilot project. This project shall provide

1 care coordination, disease management, and pharmacy management to
2 eligible recipients suffering from chronic disease, including, but
3 not limited to, diabetes, asthma, substance addiction, or stroke.
4 Participating organizations may make use of data sharing, joint
5 information technology efforts, and financial incentives to health
6 providers and recipients in this project. The department shall
7 encourage that each CMHSP and Medicaid health plan act in a
8 coordinated manner in the establishment of their respective
9 electronic medical record systems.

10 (2) The pilot project shall make use of preestablished
11 objectives and outcome measures to determine the cost effectiveness
12 of the project. Participating organizations shall collect data to
13 study and monitor the correlation between early mental health
14 treatment services to program participants and improvement in the
15 management of their chronic disease.

16 (3) The department shall request any necessary Medicaid state
17 plan amendments or waivers to ensure participation in this project
18 by eligible Medicaid recipients.

19 (4) A progress report on the pilot project shall be provided
20 to the house and senate appropriations subcommittees on community
21 health, the house and senate fiscal agencies, and the state budget
22 director no later than May 1 of the current fiscal year.

23 Sec. 272. Based on the results of the fiscal year 2008-2009
24 study on administrative efficiencies, shared services, and
25 consolidations of local public health departments, CMHSPs,
26 substance abuse coordinating agencies, and area agencies on aging,
27 the department shall make recommendations on implementing the

1 results of the study. The department shall submit its
2 recommendations by November 1 of the current fiscal year to the
3 house and senate appropriations subcommittees on community health,
4 the house and senate fiscal agencies, and the state budget
5 director.

6 Sec. 276. Funds appropriated in part 1 shall not be used by a
7 principal executive department, state agency, or authority to hire
8 a person to provide legal services that are the responsibility of
9 the attorney general. This prohibition does not apply to legal
10 services for bonding activities and for those activities that the
11 attorney general authorizes.

12 Sec. 282. (1) The department, through its organizational units
13 responsible for departmental administration, operation, and
14 finance, shall establish uniform definitions, standards, and
15 instructions for the classification, allocation, assignment,
16 calculation, recording, and reporting of administrative costs by
17 the following entities:

18 (a) Coordinating agencies on substance abuse, Salvation Army
19 harbor light program, and their subcontractors that receive payment
20 or reimbursement from funds appropriated under section 104.

21 (b) Area agencies on aging and local providers, and their
22 subcontractors that receive payment or reimbursement from funds
23 appropriated under section 118.

24 (2) By May 15 of the current fiscal year, the department shall
25 provide a written draft of its proposed definitions, standards, and
26 instructions to the house of representatives and senate
27 appropriations subcommittees on community health, the house and

1 senate fiscal agencies, and the state budget director.

2 **DEPARTMENTWIDE ADMINISTRATION**

3 Sec. 301. From funds appropriated for worker's compensation,
4 the department may make payments in lieu of worker's compensation
5 payments for wage and salary and related fringe benefits for
6 employees who return to work under limited duty assignments.

7 Sec. 303. The department shall not require first-party payment
8 from individuals or families with a taxable income of \$10,000.00 or
9 less for mental health services for determinations made under
10 section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

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

13 Sec. 350. The department may enter into a contract with the
14 protection and advocacy agency, authorized under section 931 of the
15 mental health code, 1974 PA 258, MCL 330.1931, or a similar
16 organization to provide legal services for purposes of gaining and
17 maintaining occupancy in a community living arrangement that is
18 under lease or contract with the department or a community mental
19 health services program to provide services to persons with mental
20 illness or developmental disability.

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

22 Sec. 401. Funds appropriated in part 1 are intended to support
23 a system of comprehensive community mental health services under
24 the full authority and responsibility of local CMHSPs or PIHPs. The

1 department shall ensure that each CMHSP or PIHP provides all of the
2 following:

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

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

9 (c) The coordination of inpatient and outpatient hospital
10 services through agreements with state-operated psychiatric
11 hospitals, units, and centers in facilities owned or leased by the
12 state, and privately-owned hospitals, units, and centers licensed
13 by the state pursuant to sections 134 through 149b of the mental
14 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

15 (d) Individualized plans of service that are sufficient to
16 meet the needs of individuals, including those discharged from
17 psychiatric hospitals or centers, and that ensure the full range of
18 recipient needs is addressed through the CMHSP's or PIHP's program
19 or through assistance with locating and obtaining services to meet
20 these needs.

21 (e) A system of case management or care management to monitor
22 and ensure the provision of services consistent with the
23 individualized plan of services or supports.

24 (f) A system of continuous quality improvement.

25 (g) A system to monitor and evaluate the mental health
26 services provided.

27 (h) A system that serves at-risk and delinquent youth as

1 required under the provisions of the mental health code, 1974 PA
2 258, MCL 330.1001 to 330.2106.

3 Sec. 402. (1) From funds appropriated in part 1, final
4 authorizations to CMHSPs or PIHPs shall be made upon the execution
5 of contracts between the department and CMHSPs or PIHPs. The
6 contracts shall contain an approved plan and budget as well as
7 policies and procedures governing the obligations and
8 responsibilities of both parties to the contracts. Each contract
9 with a CMHSP or PIHP that the department is authorized to enter
10 into under this subsection shall include a provision that the
11 contract is not valid unless the total dollar obligation for all of
12 the contracts between the department and the CMHSPs or PIHPs
13 entered into under this subsection for fiscal year 2008-2009 does
14 not exceed the amount of money appropriated in part 1 for the
15 contracts authorized under this subsection.

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

20 (a) Any new contracts with CMHSPs or PIHPs that would affect
21 rates or expenditures are enacted.

22 (b) Any amendments to contracts with CMHSPs or PIHPs that
23 would affect rates or expenditures are enacted.

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

27 Sec. 403. (1) From the funds appropriated in part 1 for

1 multicultural services, the department shall ensure that CMHSPs or
2 PIHPs meet with multicultural service providers to develop a
3 workable framework for contracting, service delivery, and
4 reimbursement.

5 (2) Funds appropriated in part 1 for multicultural services
6 shall not be utilized for services provided to illegal immigrants.
7 The department shall modify contracts with recipients of
8 multicultural services grants to mandate that grantees establish
9 that recipients of services are legally residing in the United
10 States. An exception to the contractual provision will be allowed
11 to address persons presenting with emergent mental health
12 conditions.

13 (3) Organizations receiving funding from the multicultural
14 services line directly or from a CMHSP shall file spending plans
15 with the department by October 1, 2008. The spending plans shall
16 include specific information on services and programs provided, the
17 client base to which the services and programs will be provided,
18 and the anticipated expenditure on these services. The department
19 shall provide the spending plans to the senate and house
20 appropriations subcommittees on community health and the senate and
21 house fiscal agencies.

22 Sec. 404. (1) Not later than May 31 of the current fiscal
23 year, the department shall provide a report on the community mental
24 health services programs to the members of the house of
25 representatives and senate appropriations subcommittees on
26 community health, the house and senate fiscal agencies, and the
27 state budget director that includes the information required by

1 this section.

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

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

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

9 (c) Financial information that, minimally, includes a
10 description of funding authorized; expenditures by client group and
11 fund source; and cost information by service category, including
12 administration. Service category includes all department-approved
13 services.

14 (d) Data describing service outcomes that includes, but is not
15 limited to, an evaluation of consumer satisfaction, consumer
16 choice, and quality of life concerns including, but not limited to,
17 housing and employment.

18 (e) Information about access to community mental health
19 services programs that includes, but is not limited to, the
20 following:

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

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

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

26 (g) An analysis of information provided by CMHSPs in response
27 to the needs assessment requirements of the mental health code,

1 1974 PA 258, MCL 330.1001 to 330.2106, including information about
2 the number of persons in the service delivery system who have
3 requested and are clinically appropriate for different services.

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

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

9 (i) The amount of the contract, organized by type of service
10 provided.

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

12 (iii) Administrative costs for services provided to CMHSPs or
13 PIHPs.

14 (j) Information on the community mental health Medicaid
15 managed care program, including, but not limited to, both of the
16 following:

17 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
18 eligibility group, including per eligible individual expenditure
19 averages.

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

22 (k) An estimate of the number of direct care workers in local
23 residential settings and paraprofessional and other nonprofessional
24 direct care workers in settings where skill building, community
25 living supports and training, and personal care services are
26 provided by CMHSPs or PIHPs as of September 30, 2008 employed
27 directly or through contracts with provider organizations.

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

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

7 Sec. 405. (1) It is the intent of the legislature that the
8 employee wage pass-through funded in previous years to the
9 community mental health services programs for direct care workers
10 in local residential settings and for paraprofessional and other
11 nonprofessional direct care workers in settings where skill
12 building, community living supports and training, and personal care
13 services are provided shall continue to be paid to direct care
14 workers.

15 (2) It is the intent of the legislature that a 2% wage
16 increase, effective April 1, 2009, be provided to direct care
17 workers in local residential settings and for paraprofessional and
18 other nonprofessional direct care workers in settings where skill
19 building, community living supports and training, and personal care
20 services are provided.

21 (3) Each CMHSP awarded wage pass-through money from the funds
22 established under subsections (1) and (2) shall report on the
23 actual expenditures of the money in the format determined by the
24 department.

25 Sec. 406. (1) The funds appropriated in part 1 for the state
26 disability assistance substance abuse services program shall be
27 used to support per diem room and board payments in substance abuse

1 residential facilities. Eligibility of clients for the state
2 disability assistance substance abuse services program shall
3 include needy persons 18 years of age or older, or emancipated
4 minors, who reside in a substance abuse treatment center.

5 (2) The department shall reimburse all licensed substance
6 abuse programs eligible to participate in the program at a rate
7 equivalent to that paid by the department of human services to
8 adult foster care providers. Programs accredited by department-
9 approved accrediting organizations shall be reimbursed at the
10 personal care rate, while all other eligible programs shall be
11 reimbursed at the domiciliary care rate.

12 (3) Of the funds appropriated in part 1 for the state
13 disability assistance substance abuse services program,
14 \$1,450,000.00 shall be distributed based on local needs as
15 determined by the department, in consultation with coordinating
16 agencies.

17 Sec. 407. (1) The amount appropriated in part 1 for substance
18 abuse prevention, education, and treatment grants shall be expended
19 for contracting with coordinating agencies. Coordinating agencies
20 shall work with the CMHSPs or PIHPs to coordinate the care and
21 services provided to individuals with both mental illness and
22 substance abuse diagnoses.

23 (2) The department shall approve a fee schedule for providing
24 substance abuse services and charge participants in accordance with
25 their ability to pay.

26 Sec. 408. (1) By April 15 of the current fiscal year, the
27 department shall report the following data from fiscal year 2007-

1 2008 on substance abuse prevention, education, and treatment
2 programs to the senate and house of representatives appropriations
3 subcommittees on community health, the senate and house fiscal
4 agencies, and the state budget office:

5 (a) Expenditures stratified by coordinating agency, by central
6 diagnosis and referral agency, by fund source, by subcontractor, by
7 population served, and by service type. Additionally, data on
8 administrative expenditures by coordinating agency and by
9 subcontractor shall be reported.

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

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

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

20 (2) The department shall take all reasonable actions to ensure
21 that the required data reported are complete and consistent among
22 all coordinating agencies.

23 Sec. 409. The funding in part 1 for substance abuse services
24 shall be distributed in a manner that provides priority to service
25 providers that furnish child care services to clients with
26 children.

27 Sec. 410. The department shall assure that substance abuse

1 treatment is provided to applicants and recipients of public
2 assistance through the department of human services who are
3 required to obtain substance abuse treatment as a condition of
4 eligibility for public assistance.

5 Sec. 411. (1) The department shall ensure that each contract
6 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
7 programs to encourage diversion of persons with serious mental
8 illness, serious emotional disturbance, or developmental disability
9 from possible jail incarceration when appropriate.

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

20 Sec. 412. The department shall contract directly with the
21 Salvation Army harbor light program to provide non-Medicaid
22 substance abuse services at not less than the amount contracted for
23 in fiscal year 2007-2008.

24 Sec. 414. Medicaid substance abuse treatment services shall be
25 managed by selected PIHPs pursuant to the centers for Medicare and
26 Medicaid services' approval of Michigan's 1915(b) waiver request to
27 implement a managed care plan for specialized substance abuse

1 services. The selected PIHPs shall receive a capitated payment on a
2 per eligible per month basis to assure provision of medically
3 necessary substance abuse services to all beneficiaries who require
4 those services. The selected PIHPs shall be responsible for the
5 reimbursement of claims for specialized substance abuse services.
6 The PIHPs that are not coordinating agencies may continue to
7 contract with a coordinating agency. Any alternative arrangement
8 must be based on client service needs and have prior approval from
9 the department.

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

21 Sec. 423. (1) The department shall work cooperatively with the
22 departments of human services, corrections, education, state
23 police, and military and veterans affairs to coordinate and improve
24 the delivery of substance abuse prevention, education, and
25 treatment programs within existing appropriations.

26 (2) The department shall establish a work group composed of
27 representatives of the department, the departments of human

1 services, corrections, education, state police, and military and
2 veterans affairs, coordinating agencies, CMHSPs, and any other
3 persons considered appropriate to examine and review the source and
4 expenditure of all public and private funds made available for
5 substance abuse programs and services. The work group shall develop
6 and recommend cost-effective measures for the expenditure of funds
7 and delivery of substance abuse programs and services. The
8 department shall submit the findings of the work group to the house
9 of representatives and senate appropriations subcommittees on
10 community health, the house and senate fiscal agencies, and the
11 state budget director by May 31 of the current fiscal year.

12 Sec. 424. Each PIHP that contracts with the department to
13 provide services to the Medicaid population shall adhere to the
14 following timely claims processing and payment procedure for claims
15 submitted by health professionals and facilities:

16 (a) A "clean claim" as described in section 111i of the social
17 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
18 days after receipt of the claim by the PIHP. A clean claim that is
19 not paid within this time frame shall bear simple interest at a
20 rate of 12% per annum.

21 (b) A PIHP must state in writing to the health professional or
22 facility any defect in the claim within 30 days after receipt of
23 the claim.

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

1 Sec. 428. Each PIHP shall provide, from internal resources,
2 local funds to be used as a bona fide part of the state match
3 required under the Medicaid program in order to increase capitation
4 rates for PIHPs. These funds shall not include either state funds
5 received by a CMHSP for services provided to non-Medicaid
6 recipients or the state matching portion of the Medicaid capitation
7 payments made to a PIHP.

8 Sec. 435. A county required under the provisions of the mental
9 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
10 matching funds to a CMHSP for mental health services rendered to
11 residents in its jurisdiction shall pay the matching funds in equal
12 installments on not less than a quarterly basis throughout the
13 fiscal year, with the first payment being made by October 1 of the
14 current fiscal year.

15 Sec. 442. (1) It is the intent of the legislature that the
16 \$40,000,000.00 in funding transferred from the community mental
17 health non-Medicaid services line to support the Medicaid adult
18 benefits waiver program be used to provide state match for
19 increases in federal funding for primary care and specialty
20 services provided to Medicaid adult benefits waiver enrollees and
21 for economic increases for the Medicaid specialty services and
22 supports program.

23 (2) The department shall assure that persons enrolled in the
24 Medicaid adult benefits waiver program shall receive mental health
25 services as approved in the state plan amendment.

26 (3) Capitation payments to CMHSPs for persons who become
27 enrolled in the Medicaid adult benefits waiver program shall be

1 made using the same rate methodology as payments for the current
2 Medicaid beneficiaries.

3 (4) If enrollment in the Medicaid adult benefits waiver
4 program does not achieve expectations and the funding appropriated
5 for the Medicaid adult benefits waiver program for specialty
6 services is not expended, the general fund balance shall be
7 transferred back to the community mental health non-Medicaid
8 services line. The department shall report quarterly to the senate
9 and house of representatives appropriations subcommittees on
10 community health a summary of eligible expenditures for the
11 Medicaid adult benefits waiver program by CMHSPs.

12 Sec. 452. Unless otherwise authorized by law, the department
13 shall not implement retroactively any policy that would lead to a
14 negative financial impact on CMHSPs or PIHPs.

15 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to
16 the fullest extent possible when providing services and support
17 programs for individuals with mental illness, developmental
18 disabilities, or substance abuse issues. Consumer choices shall
19 include skill-building assistance, rehabilitative and habilitative
20 services, supported and integrated employment services program
21 settings, and other work preparatory services provided in the
22 community or by accredited community-based rehabilitation
23 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or
24 restrict any choices from the array of services and program
25 settings available to consumers without reasonable justification
26 that those services are not in the consumer's best interest.

27 (2) CMHSPs and PIHPs shall take all necessary steps to ensure

1 that individuals with mental illness, developmental disabilities,
2 or substance abuse issues be placed in the least restrictive
3 setting in the quickest amount of time possible if it is the
4 individual's choice.

5 Sec. 459. From the funds appropriated in part 1 for mental
6 health court pilot programs, the department shall work with the
7 judiciary, including the state court administrative office, to
8 develop guidelines for the operation and evaluation of pilot mental
9 health courts. It is the intent of the legislature that 1 of the
10 pilot mental health courts be located in Oakland County if the
11 local CMHSP and the trial court in that county meet all guidelines
12 established under this section. Local CMHSPs and trial courts
13 interested in becoming mental health court pilot sites shall submit
14 a joint application for funding prepared in accordance with
15 guidelines established by the department and judiciary. The
16 applications shall include documentation of community needs and a
17 commitment to the program by key stakeholders, including the local
18 courts, law enforcement, prosecutor, defense counsel, and treatment
19 providers.

20 Sec. 460. (1) The uniform definitions, standards, and
21 instructions for the classification, allocation, assignment,
22 calculation, recording, and reporting of administrative costs by
23 PIHPs, CMHSPs, and contracted organized provider systems that
24 receive payment or reimbursement from funds appropriated under
25 section 104 that were implemented in fiscal year 2006-2007 by the
26 department shall also be implemented for their subcontractors in
27 fiscal year 2008-2009.

1 (2) The department shall provide the house of representatives
2 and senate appropriations subcommittees on community health, the
3 house of representatives and senate fiscal agencies, and the state
4 budget director with a progress report on the implementation
5 required under subsection (1). The progress report is due on July 1
6 of the current fiscal year.

7 Sec. 463. The department shall use standard program evaluation
8 measures to assess the overall effectiveness of programs provided
9 through coordinating agencies and service providers in reducing and
10 preventing the incidence of substance abuse. The measures
11 established by the department shall be modeled after the program
12 outcome measures and best practice guidelines for the treatment of
13 substance abuse as proposed by the federal substance abuse and
14 mental health services administration.

15 Sec. 464. It is the intent of the legislature that revenue
16 received by the department from liquor license fees be expended at
17 not less than the amount provided in fiscal year 2006-2007, to fund
18 programs for the prevention, rehabilitation, care, and treatment of
19 alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan
20 liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

21 Sec. 465. Funds appropriated in part 1 for respite services
22 shall be used for direct respite care services for children with
23 serious emotional disturbances and their families. Not more than 1%
24 of the funds allocated for respite services shall be expended by
25 CMHSPs for administration and administrative purposes.

26 Sec. 467. If funds become available, the department shall
27 increase funding paid from the community substance abuse

1 prevention, education, and treatment programs line item to the
2 substance abuse coordinating agencies to the level of funding
3 provided in fiscal year 2002-2003.

4 Sec. 468. To foster a more efficient administration of and to
5 integrate care in publicly funded mental health and substance abuse
6 services, the department shall maintain criteria for the
7 incorporation of a city, county, or regional substance abuse
8 coordinating agency into a local community mental health authority
9 that will encourage those city, county, or regional coordinating
10 agencies to incorporate as local community mental health
11 authorities. If necessary, the department may make accommodations
12 or adjustments in formula distribution to address administrative
13 costs related to the maintenance of the criteria under this section
14 and to the incorporation of the additional coordinating agencies
15 into local community mental health authorities provided that all of
16 the following are satisfied:

17 (a) The department provides funding for the administrative
18 costs incurred by coordinating agencies incorporating into
19 community mental health authorities. The department shall not
20 provide more than \$75,000.00 to any coordinating agency for
21 administrative costs.

22 (b) The accommodations or adjustments do not favor
23 coordinating agencies who voluntarily elect to integrate with local
24 community mental health authorities.

25 (c) The accommodations or adjustments do not negatively affect
26 other coordinating agencies.

27 Sec. 470. (1) For those substance abuse coordinating agencies

1 that have voluntarily incorporated into community mental health
2 authorities and accepted funding from the department for
3 administrative costs incurred pursuant to section 468, the
4 department shall establish written expectations for those CMHSPs,
5 PIHPs, and substance abuse coordinating agencies and counties with
6 respect to the integration of mental health and substance abuse
7 services. At a minimum, the written expectations shall provide for
8 the integration of those services as follows:

9 (a) Coordination and consolidation of administrative functions
10 and redirection of efficiencies into service enhancements.

11 (b) Consolidation of points of 24-hour access for mental
12 health and substance abuse services in every community.

13 (c) Alignment of coordinating agencies and PIHPs boundaries to
14 maximize opportunities for collaboration and integration of
15 administrative functions and clinical activities.

16 (2) By May 1 of the current fiscal year, the department shall
17 report to the house of representatives and senate appropriations
18 subcommittees on community health, the house and senate fiscal
19 agencies, and the state budget office on the impact and
20 effectiveness of this section and the status of the integration of
21 mental health and substance abuse services.

22 Sec. 474. The department shall ensure that each contract with
23 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
24 recipient and his or her family with information regarding the
25 different types of guardianship and the alternatives to
26 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
27 reduce or restrict the ability of a recipient or his or her family

1 from seeking to obtain any form of legal guardianship without just
2 cause.

3 Sec. 480. The department shall provide to the senate and house
4 appropriations subcommittees on community health and the senate and
5 house fiscal agencies by March 30 of the current fiscal year a
6 report on the number and reimbursement cost of atypical
7 antipsychotic prescriptions by each PIHP for Medicaid
8 beneficiaries.

9 Sec. 481. (1) If the state creates a centralized PIHP risk
10 pool, the risk pool shall have a board that shall govern
11 expenditures from the pool. The board shall have representatives
12 from PIHPs.

13 (2) If the state creates a centralized PIHP risk pool, the
14 department and the board established in subsection (1) shall
15 develop a plan governing distributions from the centralized PIHP
16 risk pool. The department shall report on any such plan to the
17 senate and house appropriations subcommittees on community health
18 and the senate and house fiscal agencies by April 1 of the current
19 fiscal year.

20 Sec. 483. (1) A Medicaid recipient shall remain eligible and a
21 qualifying applicant shall be determined eligible for medical
22 assistance during a period of incarceration or detention. Medicaid
23 coverage is limited during such a period to off-site inpatient
24 hospitalization only.

25 (2) A Medicaid recipient is considered incarcerated or
26 detained until released on bail, released as not guilty, released
27 on parole, released on probation, released on pardon, released upon

1 completing a sentence, or released under home detention or tether.

2 Sec. 484. From the funds appropriated in part 1 for community
3 substance abuse prevention, education, and treatment programs,
4 \$2,450,000.00 shall be allocated to coordinating agencies to
5 provide 90-day intensive substance abuse treatment services,
6 including, but not limited to, residential services when
7 appropriate for certain offenders who are referred to treatment by
8 a drug treatment court or other court orders or as a condition of
9 parole.

10 Sec. 485. It is the intent of the legislature that the
11 department, in conjunction with the department of corrections,
12 convene a workgroup to examine and evaluate jail diversion programs
13 by CMHSPs, the Michigan prisoner re-entry initiative, and mental
14 health court programs. The workgroup shall consist of
15 representatives of the department, department of corrections,
16 CMHSPs, local law enforcement agencies, including county
17 prosecutors' offices, county sheriffs' offices, county jails,
18 municipal police agencies, municipal detention facilities, and the
19 courts. The findings of the workgroup shall be submitted to the
20 house and senate appropriations subcommittees on community health,
21 house and senate fiscal agencies, and state budget director by June
22 30, 2009.

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

25 Sec. 601. (1) In funding of staff in the financial support
26 division, reimbursement, and billing and collection sections,

1 priority shall be given to obtaining third-party payments for
2 services. Collection from individual recipients of services and
3 their families shall be handled in a sensitive and nonharassing
4 manner.

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

12 Sec. 602. Unexpended and unencumbered amounts and accompanying
13 expenditure authorizations up to \$1,000,000.00 remaining on
14 September 30 of the current fiscal year from the amounts
15 appropriated in part 1 for gifts and bequests for patient living
16 and treatment environments shall be carried forward for 1 fiscal
17 year. The purpose of gifts and bequests for patient living and
18 treatment environments is to use additional private funds to
19 provide specific enhancements for individuals residing at state-
20 operated facilities. Use of the gifts and bequests shall be
21 consistent with the stipulation of the donor. The expected
22 completion date for the use of gifts and bequests donations is
23 within 3 years unless otherwise stipulated by the donor.

24 Sec. 603. The funds appropriated in part 1 for forensic mental
25 health services provided to the department of corrections are in
26 accordance with the interdepartmental plan developed in cooperation
27 with the department of corrections. The department is authorized to

1 receive and expend funds from the department of corrections in
2 addition to the appropriations in part 1 to fulfill the obligations
3 outlined in the interdepartmental agreements.

4 Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports
5 to the department on the following information:

6 (a) The number of days of care purchased from state hospitals
7 and centers.

8 (b) The number of days of care purchased from private
9 hospitals in lieu of purchasing days of care from state hospitals
10 and centers.

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

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

15 (2) The department shall annually report the information in
16 subsection (1) to the house of representatives and senate
17 appropriations subcommittees on community health, the house and
18 senate fiscal agencies, and the state budget director.

19 Sec. 605. (1) The department shall not implement any closures
20 or consolidations of state hospitals, centers, or agencies until
21 CMHSPs or PIHPs have programs and services in place for those
22 persons currently in those facilities and a plan for service
23 provision for those persons who would have been admitted to those
24 facilities.

25 (2) All closures or consolidations are dependent upon adequate
26 department-approved CMHSP and PIHP plans that include a discharge
27 and aftercare plan for each person currently in the facility. A

1 discharge and aftercare plan shall address the person's housing
2 needs. A homeless shelter or similar temporary shelter arrangements
3 are inadequate to meet the person's housing needs.

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

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

14 Sec. 606. The department may collect revenue for patient
15 reimbursement from first- and third-party payers, including
16 Medicaid and local county CMHSP payers, to cover the cost of
17 placement in state hospitals and centers. The department is
18 authorized to adjust financing sources for patient reimbursement
19 based on actual revenues earned. If the revenue collected exceeds
20 current year expenditures, the revenue may be carried forward with
21 approval of the state budget director. The revenue carried forward
22 shall be used as a first source of funds in the subsequent year.

23 **PUBLIC HEALTH ADMINISTRATION**

24 Sec. 650. The department shall communicate the annual public
25 health consumption advisory for sportfish. The department shall, at
26 a minimum, post the advisory on the Internet and make the

1 information in the advisory available to the clients of the women,
2 infants, and children special supplemental nutrition program.

3 Sec. 651. By April 30 of the current fiscal year, the
4 department shall submit a report to the house and senate fiscal
5 agencies and the state budget director on the activities and
6 efforts of the department to improve the health status of the
7 citizens of this state with regard to the goals and objectives
8 stated in the "Healthy Michigan 2010" report, and the measurable
9 progress made toward those goals and objectives.

10 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

16 Sec. 706. When hiring any new nursing home inspectors funded
17 through appropriations in part 1, the department shall make every
18 effort to hire qualified individuals with past experience in the
19 long-term care industry.

20 Sec. 707. The funds appropriated in part 1 for the nursing
21 scholarship program, established in section 16315 of the public
22 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
23 the number of nurses practicing in Michigan. The board of nursing
24 is encouraged to structure scholarships funded under this act in a
25 manner that rewards recipients who intend to practice nursing in
26 Michigan. In addition, the department and the board of nursing

1 shall work cooperatively with the Michigan higher education
2 assistance authority to coordinate scholarship assistance with
3 scholarships provided pursuant to the Michigan nursing scholarship
4 act, 2002 PA 591, MCL 390.1181 to 390.1189.

5 Sec. 708. Nursing facilities shall report in the quarterly
6 staff report to the department, the total patient care hours
7 provided each month, by state licensure and certification
8 classification, and the percentage of pool staff, by state
9 licensure and certification classification, used each month during
10 the preceding quarter. The department shall make available to the
11 public, the quarterly staff report compiled for all facilities
12 including the total patient care hours and the percentage of pool
13 staff used, by classification.

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

18 Sec. 710. From the funds appropriated in part 1 for primary
19 care services, an amount not to exceed \$2,172,700.00 is
20 appropriated to enhance the service capacity of the federally
21 qualified health centers and other health centers that are similar
22 to federally qualified health centers.

23 Sec. 711. The department may make available to interested
24 entities customized listings of nonconfidential information in its
25 possession, such as names and addresses of licensees. The
26 department may establish and collect a reasonable charge to provide
27 this service. The revenue received from this service shall be used

1 to offset expenses to provide the service. Any balance of this
2 revenue collected and unexpended at the end of the fiscal year
3 shall revert to the appropriate restricted fund.

4 Sec. 712. (1) From the funds appropriated in part 1 for
5 primary care services, \$250,000.00 shall be allocated to free
6 health clinics operating in the state. The department shall
7 distribute the funds equally to each free health clinic. For the
8 purpose of this appropriation, free health clinics are nonprofit
9 organizations that use volunteer health professionals to provide
10 care to uninsured individuals.

11 (2) From the funds appropriated in part 1 for primary care
12 services, \$50,000.00 shall be allocated 1 time to the free clinics
13 of Michigan for the purpose of hiring an administrator responsible
14 for the coordination of and fundraising for administration and
15 operation of free health clinics.

16 Sec. 713. The department is directed to continue support of
17 multicultural agencies that provide primary care services from the
18 funds appropriated in part 1.

19 Sec. 714. The department shall report to the legislature on
20 the timeliness of nursing facility complaint investigations and the
21 number of allegations that are substantiated on an annual basis.
22 The report shall consist of the number of allegations filed by
23 consumers and the number of facility-reported incidents. The
24 department shall make every effort to contact every complainant and
25 the subject of a complaint during an investigation.

26 Sec. 716. The department shall give priority in investigations
27 of alleged wrongdoing by licensed health care professionals to

1 instances that are alleged to have occurred within 2 years of the
2 initial complaint.

3 Sec. 722. A medical professional who is newly accepted into
4 the Michigan essential health provider program in fiscal year 2008-
5 2009 is eligible for up to 4 years of loan repayments.

6 Sec. 723. From the funds appropriated in part 1 for the nurse
7 scholarship, education, and research program, \$100.00 shall be
8 allocated to a nurse education Ph.D. program.

9 Sec. 724. From the funds appropriated in part 1 for emergency
10 medical services program state staff, \$100.00 shall be allocated
11 for the development of a coordinated statewide trauma care system.

12 Sec. 725. From the funds appropriated in part 1 for rural
13 health services, \$100.00 shall be allocated to support rural health
14 improvement as identified in "Michigan Strategic Opportunities for
15 Rural Health Improvement, A State Rural Health Plan 2008-2012". The
16 department shall make these funds available to rural and
17 micropolitan communities under a competitive bid process. The
18 department shall not allocate more than \$5,000.00 to each rural or
19 micropolitan community under this section. The department shall not
20 allocate funds appropriated under this section unless a 50/50 state
21 and local match rate has occurred. The department shall submit a
22 report to the house and senate appropriations subcommittees on
23 community health, house and senate fiscal agencies, and state
24 budget director by April 1 of the current fiscal year on the
25 projects supported by this allocation.

26 INFECTIOUS DISEASE CONTROL

1 Sec. 801. In the expenditure of funds appropriated in part 1
2 for AIDS programs, the department and its subcontractors shall
3 ensure that high-risk individuals ages 9 through 18 receive
4 priority for prevention, education, and outreach services.

5 Sec. 803. The department shall continue the AIDS drug
6 assistance program maintaining the prior year eligibility criteria
7 and drug formulary. This section is not intended to prohibit the
8 department from providing assistance for improved AIDS treatment
9 medications. If the appropriation in part 1 or actual revenue is
10 not sufficient to maintain the prior year eligibility criteria and
11 drug formulary, the department may revise the eligibility criteria
12 and drug formulary in a manner that is consistent with federal
13 program guidelines.

14 Sec. 804. The department, in conjunction with efforts to
15 implement the Michigan prisoner reentry initiative, shall cooperate
16 with the department of corrections to share data and information as
17 they relate to prisoners being released who are HIV positive or
18 positive for the hepatitis C antibody. By April 1 of the current
19 fiscal year, the department shall report to the senate and house
20 appropriations subcommittees on community health, the senate and
21 house fiscal agencies, and the state budget director on the
22 progress and results of its work as permitted under federal law and
23 the potential outcomes from its work with the department of
24 corrections under this section.

25 **EPIDEMIOLOGY**

26 Sec. 851. The department shall provide a report annually to

1 the house of representatives and senate appropriations
2 subcommittees on community health, the senate and house fiscal
3 agencies, and the state budget director on the expenditures and
4 activities undertaken by the lead abatement program. The report
5 shall include, but is not limited to, a funding allocation
6 schedule, expenditures by category of expenditure and by
7 subcontractor, revenues received, description of program elements,
8 and description of program accomplishments and progress.

9 Sec. 852. (1) From the funds appropriated in part 1 for the
10 methamphetamine cleanup fund, the department shall allow local
11 governments to apply for money to cover their administrative costs
12 associated with the methamphetamine cleanup efforts. The funds
13 allocated to local governments for the administrative costs
14 associated with methamphetamine cleanup efforts shall not exceed
15 \$800.00 per property.

16 (2) The department shall work with the Michigan association of
17 counties to ensure that counties are aware that the funds
18 appropriated in part 1 for methamphetamine cleanup activities are
19 available.

20 LOCAL HEALTH ADMINISTRATION AND GRANTS

21 Sec. 901. The amount appropriated in part 1 for implementation
22 of the 1993 additions of or amendments to sections 9161, 16221,
23 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
24 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
25 333.17515, shall reimburse local health departments for costs
26 incurred related to implementation of section 17015(18) of the

1 public health code, 1978 PA 368, MCL 333.17015.

2 Sec. 902. If a county that has participated in a district
3 health department or an associated arrangement with other local
4 health departments takes action to cease to participate in such an
5 arrangement after October 1, 2008, the department shall have the
6 authority to assess a penalty from the local health department's
7 operational accounts in an amount equal to no more than 6.25% of
8 the local health department's local public health operations
9 funding. This penalty shall only be assessed to the local county
10 that requests the dissolution of the health department.

11 Sec. 904. (1) Funds appropriated in part 1 for local public
12 health operations shall be prospectively allocated to local health
13 departments to support immunizations, infectious disease control,
14 sexually transmitted disease control and prevention, hearing
15 screening, vision services, food protection, public water supply,
16 private groundwater supply, and on-site sewage management. Food
17 protection shall be provided in consultation with the Michigan
18 department of agriculture. Public water supply, private groundwater
19 supply, and on-site sewage management shall be provided in
20 consultation with the Michigan department of environmental quality.

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

23 (3) Distributions in subsection (1) shall be made only to
24 counties that maintain local spending in fiscal year 2008-2009 of
25 at least the amount expended in fiscal year 1992-1993 for the
26 services described in subsection (1).

27 (4) By April 1 of the current fiscal year, the department

1 shall make available a report to the senate and house of
2 representatives appropriations subcommittees on community health,
3 the senate and house fiscal agencies, and the state budget director
4 on the planned allocation of the funds appropriated for local
5 public health operations.

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

7 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
8 information network shall be used to provide information and
9 referral services through regional networks for persons with
10 Alzheimer's disease or related disorders, their families, and
11 health care providers.

12 Sec. 1006. (1) In spending the funds appropriated in part 1
13 for the smoking prevention program, priority shall be given to
14 prevention and smoking cessation programs for pregnant women, women
15 with young children, and adolescents.

16 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
17 the funds appropriated in part 1 for the smoking prevention program
18 shall be used for the quit kit program that includes the nicotine
19 patch or nicotine gum.

20 Sec. 1007. (1) The funds appropriated in part 1 for violence
21 prevention shall be used for, but not be limited to, the following:

22 (a) Programs aimed at the prevention of spouse, partner, or
23 child abuse and rape.

24 (b) Programs aimed at the prevention of workplace violence.

25 (2) In awarding grants from the amounts appropriated in part 1
26 for violence prevention, the department shall give equal

1 consideration to public and private nonprofit applicants.

2 (3) From the funds appropriated in part 1 for violence
3 prevention, the department may include local school districts as
4 recipients of the funds for family violence prevention programs.

5 Sec. 1009. From the funds appropriated in part 1 for the
6 diabetes and kidney program, a portion of the funds may be
7 allocated to the National Kidney Foundation of Michigan for kidney
8 disease prevention programming including early identification and
9 education programs and kidney disease prevention demonstration
10 projects.

11 Sec. 1010. From the funds appropriated in part 1 for chronic
12 disease prevention, \$200,000.00 shall be allocated for osteoporosis
13 prevention and treatment education.

14 Sec. 1019. From the funds appropriated in part 1 for chronic
15 disease prevention, \$50,000.00 may be allocated for stroke
16 prevention, education, and outreach. The objectives of the program
17 shall include education to assist persons in identifying risk
18 factors, and education to assist persons in the early
19 identification of the occurrence of a stroke in order to minimize
20 stroke damage.

21 Sec. 1028. Contingent on the availability of state restricted
22 healthy Michigan fund money or federal preventive health and health
23 services block grant fund money, funds may be appropriated for the
24 African-American male health initiative.

25 Sec. 1034. From the funds appropriated in part 1 for physical
26 fitness, nutrition, and health, \$100.00 shall be allocated to the
27 Michigan snowsports industries association for the cold is cool

1 program to expose Michigan schoolchildren to outdoor winter
2 activities and downhill skiing.

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

4 Sec. 1101. The department shall review the basis for the
5 distribution of funds to local health departments and other public
6 and private agencies for the women, infants, and children food
7 supplement program; family planning; and prenatal care outreach and
8 service delivery support program and indicate the basis upon which
9 any projected underexpenditures by local public and private
10 agencies shall be reallocated to other local agencies that
11 demonstrate need.

12 Sec. 1104. (1) Before April 1 of the current fiscal year, the
13 department shall submit a report to the house and senate fiscal
14 agencies and the state budget director on planned allocations from
15 the amounts appropriated in part 1 for local MCH services, prenatal
16 care outreach and service delivery support, family planning local
17 agreements, and pregnancy prevention programs. Using applicable
18 federal definitions, the report shall include information on all of
19 the following:

20 (a) Funding allocations.

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

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

26 (2) The department shall ensure that the distribution of funds

1 through the programs described in subsection (1) takes into account
2 the needs of rural communities.

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

7 Sec. 1105. For all programs for which an appropriation is made
8 in part 1, the department shall contract with those local agencies
9 best able to serve clients. Factors to be used by the department in
10 evaluating agencies under this section include the ability to serve
11 high-risk population groups; ability to provide access to
12 individuals in need of services in rural communities; ability to
13 serve low-income clients, where applicable; availability of, and
14 access to, service sites; management efficiency; and ability to
15 meet federal standards, when applicable.

16 Sec. 1106. Each family planning program receiving federal
17 title X family planning funds under 42 USC 300 to 300a-8 shall be
18 in compliance with all performance and quality assurance indicators
19 that the office of family planning within the United States
20 department of health and human services specifies in the family
21 planning annual report. An agency not in compliance with the
22 indicators shall not receive supplemental or reallocated funds.

23 Sec. 1107. Of the amount appropriated in part 1 for prenatal
24 care outreach and service delivery support, not more than 9% shall
25 be expended for local administration, data processing, and
26 evaluation.

27 Sec. 1108. The funds appropriated in part 1 for pregnancy

1 prevention programs shall not be used to provide abortion
2 counseling, referrals, or services.

3 Sec. 1109. (1) From the amounts appropriated in part 1 for
4 dental programs, funds shall be allocated to the Michigan dental
5 association for the administration of a volunteer dental program
6 that provides dental services to the uninsured in an amount that is
7 no less than the amount allocated to that program in fiscal year
8 1996-1997.

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

17 Sec. 1110. Agencies that currently receive pregnancy
18 prevention funds and either receive or are eligible for other
19 family planning funds shall have the option of receiving all of
20 their family planning funds directly from the department and be
21 designated as delegate agencies.

22 Sec. 1111. The department shall allocate no less than 88% of
23 the funds appropriated in part 1 for family planning local
24 agreements and the pregnancy prevention program for the direct
25 provision of family planning/pregnancy prevention services.

26 Sec. 1112. From the funds appropriated in part 1 for prenatal
27 care outreach and service delivery support, the department shall

1 allocate at least \$1,000,000.00 to communities with high infant
2 mortality rates.

3 Sec. 1115. (1) The department shall collaborate with the state
4 board of education, the department of human services, the
5 department of labor and economic growth, and the department of
6 history, arts, and libraries to extend the duration of the Michigan
7 after-school partnership and oversee its efforts to implement the
8 policy recommendations and strategic next steps identified in the
9 Michigan after-school initiative's report of December 15, 2003.

10 (2) From the funds appropriated in part 1 for special
11 projects, \$25,000.00 shall be allocated for the partnership
12 described in subsection (1).

13 Sec. 1116. The department shall convene appropriate
14 stakeholders to determine the efficacy and impact of restoring a
15 coordinated regional perinatal system in Michigan. A report shall
16 be produced that reflects best practices, expected potential impact
17 on infant mortality, and recommendations for policy and funding of
18 such a system in Michigan. The report shall be provided to the
19 house and senate appropriations subcommittees on community health
20 and standing committees on health policy, the house and senate
21 fiscal agencies, and the state budget director by April 1, 2009.

22 Sec. 1129. The department shall provide a report annually to
23 the house of representatives and senate appropriations
24 subcommittees on community health, the house and senate fiscal
25 agencies, and the state budget director on the number of children
26 with elevated blood lead levels from information available to the
27 department. The report shall provide the information by county,

1 shall include the level of blood lead reported, and shall indicate
2 the sources of the information.

3 Sec. 1132. From the funds appropriated in part 1 for special
4 projects, \$400,000.00 shall be allocated to the nurse family
5 partnership program.

6 Sec. 1133. The department shall release infant mortality rate
7 data to all local public health departments 72 hours or more before
8 releasing infant mortality rate data to the public.

9 Sec. 1135. (1) Provision of the school health education
10 curriculum, such as the Michigan model or another comprehensive
11 school health education curriculum, shall be in accordance with the
12 health education goals established by the Michigan model for
13 comprehensive school health education state steering committee. The
14 state steering committee shall be comprised of a representative
15 from each of the following offices and departments:

16 (a) The department of education.

17 (b) The department of community health.

18 (c) The health administration in the department of community
19 health.

20 (d) The bureau of mental health and substance abuse services
21 in the department of community health.

22 (e) The department of human services.

23 (f) The department of state police.

24 (2) Upon written or oral request, a pupil not less than 18
25 years of age or a parent or legal guardian of a pupil less than 18
26 years of age, within a reasonable period of time after the request
27 is made, shall be informed of the content of a course in the health

1 education curriculum and may examine textbooks and other classroom
2 materials that are provided to the pupil or materials that are
3 presented to the pupil in the classroom. This subsection does not
4 require a school board to permit pupil or parental examination of
5 test questions and answers, scoring keys, or other examination
6 instruments or data used to administer an academic examination.

7 Sec. 1137. From the funds appropriated in part 1 for special
8 projects, \$200.00 shall be allocated to support an Alzheimer's
9 disease patient care training program involving a community college
10 and a retirement community.

11 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

12 Sec. 1151. The department may work with local participating
13 agencies to define local annual contributions for the farmer's
14 market nutrition program, project FRESH, to enable the department
15 to request federal matching funds based on local commitment of
16 funds.

17 Sec. 1153. The department shall ensure that individuals
18 residing in rural communities have sufficient access to the
19 services offered through the WIC program.

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

21 Sec. 1201. Funds appropriated in part 1 for medical care and
22 treatment of children with special health care needs shall be paid
23 according to reimbursement policies determined by the Michigan
24 medical services program. Exceptions to these policies may be taken
25 with the prior approval of the state budget director.

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

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

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

6 (c) Provide genetic diagnostic and counseling services for
7 eligible families.

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

11 Sec. 1203. All children who are determined medically eligible
12 for the children's special health care services program shall be
13 referred to the appropriate locally based services program in their
14 community.

15 OFFICE OF DRUG CONTROL POLICY

16 Sec. 1250. The department shall provide \$1,800,000.00 in Byrne
17 justice assistance grant program funding to the judiciary by
18 interdepartmental grant.

19 CRIME VICTIM SERVICES COMMISSION

20 Sec. 1304. The department shall work with the department of
21 state police, the Michigan health and hospital association, the
22 Michigan state medical society, and the Michigan nurses association
23 to ensure that the recommendations included in the "Standard
24 Recommended Procedures for the Emergency Treatment of Sexual
25 Assault Victims" are followed in the collection of evidence.

1 OFFICE OF SERVICES TO THE AGING

2 Sec. 1401. The appropriation in part 1 to the office of
3 services to the aging, for community and nutrition services and
4 home services, shall be restricted to eligible individuals at least
5 60 years of age who fail to qualify for home care services under
6 title XVIII, XIX, or XX.

7 Sec. 1403. (1) The office of services to the aging shall
8 require each region to report to the office of services to the
9 aging home delivered meals waiting lists based upon standard
10 criteria. Determining criteria shall include all of the following:

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

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

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

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

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

21 Sec. 1404. The area agencies and local providers may receive
22 and expend fees for the provision of day care, care management,
23 respite care, and certain eligible home- and community-based
24 services. The fees shall be based on a sliding scale, taking client
25 income into consideration. The fees shall be used to expand
26 services.

1 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
2 trust funds to the office of services to the aging for the respite
3 care program shall be allocated in accordance with a long-term care
4 plan developed by the long-term care working group established in
5 section 1657 of 1998 PA 336 upon implementation of the plan. The
6 use of the funds shall be for direct respite care or adult respite
7 care center services. Not more than 9% of the amount allocated
8 under this section shall be expended for administration and
9 administrative purposes.

10 Sec. 1413. The legislature affirms the commitment to locally
11 based services. The legislature supports the role of local county
12 board of commissioners in the approval of area agency on aging
13 plans. Local counties may request to change membership in the area
14 agencies on aging if the change is to an area agency on aging that
15 is contiguous to that county pursuant to office of services to the
16 aging policies and procedures for area agency on aging designation.
17 The office of services to the aging shall adjust allocations to
18 area agencies on aging to account for any changes in county
19 membership. The office of services to the aging shall ensure
20 annually that county boards of commissioners are aware that county
21 membership in area agencies on aging can be changed subject to
22 office of services to the aging policies and procedures for area
23 agency on aging designation. The legislature supports the office of
24 services to the aging working with others to provide training to
25 commissioners to better understand and advocate for aging issues.
26 It is the intent of the legislature to prohibit area agencies on
27 aging from providing direct services, other than access services,

1 unless the agencies receive a waiver from the commission on
2 services to the aging. The legislature's intent in this section is
3 conditioned on compliance with federal and state laws, rules, and
4 policies.

5 Sec. 1416. The office of services to the aging shall provide
6 in-home services, resources, and assistance for the frail elderly
7 who are not being served by the Medicaid home- and community-based
8 services waiver program.

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

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

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

19 **MICHIGAN FIRST HEALTHCARE PLAN**

20 Sec. 1501. (1) Funds appropriated in part 1 for the Michigan
21 first healthcare plan are contingent upon approval of a waiver from
22 the federal government.

23 (2) In addition to the funds appropriated in part 1 for the
24 Michigan first healthcare plan, up to \$300,000,000.00 in federal
25 funds shall be appropriated upon approval of a waiver from the
26 federal government.

1 Sec. 1502. Upon approval of a waiver from the federal
2 government for the Michigan first healthcare plan, the department
3 shall provide the senate and house of representatives
4 appropriations subcommittees on community health, the senate and
5 house fiscal agencies, and the state budget director with a report
6 detailing the process that will be utilized to determine which
7 insurance entities will be selected for participation in the
8 Michigan first healthcare plan. The department shall not award a
9 single-source contract to a health plan through the Michigan first
10 healthcare plan.

11 Sec. 1503. The department shall provide a copy of the
12 federally approved Michigan first healthcare plan or similar
13 proposal to the house of representatives and senate appropriations
14 subcommittees on community health, the house and senate fiscal
15 agencies, and the state budget director at least 60 days before
16 implementing any portion of the Michigan first healthcare plan or
17 other similar proposal.

18 **MEDICAL SERVICES**

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

24 Sec. 1602. Medical services shall be provided to elderly and
25 disabled persons with incomes less than or equal to 100% of the
26 official poverty level, pursuant to the state's option to elect

1 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
2 XIX, 42 USC 1396a.

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

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

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

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

15 (2) The department shall notify the senate and house of
16 representatives appropriations subcommittees on community health
17 and the state budget director of any proposed revisions to the
18 protected income level for Medicaid coverage related to the public
19 assistance standard 90 days prior to implementation.

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

24 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
25 condition is pregnancy, shall immediately be presumed to be
26 eligible for Medicaid coverage unless the preponderance of evidence
27 in her application indicates otherwise. The applicant who is

1 qualified as described in this subsection shall be allowed to
2 select or remain with the Medicaid participating obstetrician of
3 her choice.

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

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

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

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

4 (6) Effective October 1, 2008, the department shall mandate
5 enrollment of women, whose qualifying condition is pregnancy, into
6 Medicaid managed care plans. The department shall not mandate
7 enrollment into a Medicaid managed care plan if the woman has an
8 established relationship with her Medicaid participating physician
9 and the physician is not associated with a Medicaid health plan.

10 Sec. 1610. The department shall provide an administrative
11 procedure for the review of cost report grievances by medical
12 services providers with regard to reimbursement under the medical
13 services program. Settlements of properly submitted cost reports
14 shall be paid not later than 9 months from receipt of the final
15 report.

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

1 in full.

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

8 Sec. 1620. (1) For fee-for-service recipients who do not
9 reside in nursing homes, the pharmaceutical dispensing fee shall be
10 \$2.50 or the pharmacy's usual or customary cash charge, whichever
11 is less. For nursing home residents, the pharmaceutical dispensing
12 fee shall be \$2.75 or the pharmacy's usual or customary cash
13 charge, whichever is less.

14 (2) The department shall require a prescription copayment for
15 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
16 brand-name drug, except as prohibited by federal or state law or
17 regulation.

18 (3) It is the intent of the legislature that if the department
19 realizes savings as a result of the implementation of average
20 manufacturer's price for reimbursement of multiple source generic
21 medication dispensing as imposed pursuant to the federal deficit
22 reduction act of 2005, Public Law 109-171, the savings shall be
23 returned to pharmacies in the form of an increased dispensing fee
24 for medications not to exceed \$2.00. The savings shall be
25 calculated as the difference in state expenditure between the
26 current methodology of payment, which is maximum allowable cost,
27 and the proposed new reimbursement method of average manufacturer's

1 price.

2 Sec. 1621. The department may implement prospective drug
3 utilization review and disease management systems. The prospective
4 drug utilization review and disease management systems authorized
5 by this section shall have physician oversight, shall focus on
6 patient, physician, and pharmacist education, and shall be
7 developed in consultation with the national pharmaceutical council,
8 Michigan state medical society, Michigan osteopathic association,
9 Michigan pharmacists association, Michigan health and hospital
10 association, and Michigan nurses association.

11 Sec. 1623. (1) The department shall continue the Medicaid
12 policy that allows for the dispensing of a 100-day supply for
13 maintenance drugs.

14 (2) The department shall notify all HMOs, physicians,
15 pharmacies, and other medical providers that are enrolled in the
16 Medicaid program that Medicaid policy allows for the dispensing of
17 a 100-day supply for maintenance drugs.

18 (3) The notice in subsection (2) shall also clarify that a
19 pharmacy shall fill a prescription written for maintenance drugs in
20 the quantity specified by the physician, but not more than the
21 maximum allowed under Medicaid, unless subsequent consultation with
22 the prescribing physician indicates otherwise.

23 Sec. 1625. The department shall continue its practice of
24 placing all atypical antipsychotic medications on the Medicaid
25 preferred drug list.

26 Sec. 1627. (1) The department shall use procedures and rebates
27 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,

1 to secure quarterly rebates from pharmaceutical manufacturers for
2 outpatient drugs dispensed to participants in the MICHild program,
3 maternal outpatient medical services program, children's special
4 health care services, and adult benefit waiver program.

5 (2) For products distributed by pharmaceutical manufacturers
6 not providing quarterly rebates as listed in subsection (1), the
7 department may require preauthorization.

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

12 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
13 dental services, and chiropractic services shall continue at not
14 less than the level in effect on October 1, 2002, except that
15 reasonable utilization limitations may be adopted in order to
16 prevent excess utilization. The department shall not impose
17 utilization restrictions on chiropractic services unless a
18 recipient has exceeded 18 office visits within 1 year.

19 (2) The department may implement the bulk purchase of hearing
20 aids, impose limitations on binaural hearing aid benefits, and
21 limit the replacement of hearing aids to once every 3 years.

22 Sec. 1631. (1) The department shall require copayments on
23 dental, podiatric, chiropractic, vision, and hearing aid services
24 provided to Medicaid recipients, except as prohibited by federal or
25 state law or regulation.

26 (2) Except as otherwise prohibited by federal or state law or
27 regulations, the department shall require Medicaid recipients to

1 pay the following copayments:

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

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

4 (c) Fifty dollars for the first day of an inpatient hospital
5 stay.

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

7 Sec. 1633. From the funds appropriated in part 1 for dental
8 services, the department shall allocate \$582,900.00 to expand the
9 healthy kids dental program to Muskegon County effective July 1,
10 2009.

11 Sec. 1634. From the funds appropriated in part 1 for ambulance
12 services, the department shall continue the 5% increase in payment
13 rates for ambulance services implemented in fiscal year 2000-2001
14 and continue the ground mileage reimbursement rate per statute mile
15 at \$4.25.

16 Sec. 1635. From the funds appropriated in part 1 for physician
17 services and health plan services, the department shall continue
18 the increase in Medicaid reimbursement rates for obstetrical
19 services implemented in fiscal year 2005-2006.

20 Sec. 1636. From the funds appropriated in part 1 for physician
21 services and health plan services, the department shall continue
22 the increase in Medicaid reimbursement rates for physician well
23 child procedure codes and primary care procedure codes implemented
24 in fiscal year 2006-2007. The increased reimbursement rates in this
25 section shall not exceed the comparable Medicare payment rate for
26 the same services.

27 Sec. 1637. (1) All adult Medicaid recipients shall be offered

1 the opportunity to sign a Medicaid personal responsibility
2 agreement.

3 (2) The personal responsibility agreement shall include at
4 minimum the following provisions:

5 (a) That the recipient shall not smoke.

6 (b) That the recipient shall attend all scheduled medical
7 appointments.

8 (c) That the recipient shall exercise regularly.

9 (d) That if the recipient has children, those children shall
10 be up to date on their immunizations.

11 (e) That the recipient shall abstain from abusing controlled
12 substances and narcotics.

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

17 Sec. 1643. Of the funds appropriated in part 1 for graduate
18 medical education in the hospital services and therapy line-item
19 appropriation, not less than \$10,359,000.00 shall be allocated for
20 the psychiatric residency training program that establishes and
21 maintains collaborative relations with the schools of medicine at
22 Michigan State University and Wayne State University if the
23 necessary allowable Medicaid matching funds are provided by the
24 universities.

25 Sec. 1647. From the funds appropriated in part 1 for medical
26 services, the department shall allocate for graduate medical
27 education not less than the level of rates and payments in effect

1 on April 1, 2005.

2 Sec. 1648. The department shall maintain an automated toll-
3 free telephone line and make available an online resource to enable
4 medical providers to obtain enrollment and benefit information of
5 Medicaid recipients. There shall be no charge to providers for the
6 use of the toll-free telephone line or online resource.

7 Sec. 1649. From the funds appropriated in part 1 for medical
8 services, the department shall continue breast and cervical cancer
9 treatment coverage for women up to 250% of the federal poverty
10 level, who are under age 65, and who are not otherwise covered by
11 insurance. This coverage shall be provided to women who have been
12 screened through the centers for disease control breast and
13 cervical cancer early detection program, and are found to have
14 breast or cervical cancer, pursuant to the breast and cervical
15 cancer prevention and treatment act of 2000, Public Law 106-354.

16 Sec. 1650. (1) The department may require medical services
17 recipients residing in counties offering managed care options to
18 choose the particular managed care plan in which they wish to be
19 enrolled. Persons not expressing a preference may be assigned to a
20 managed care provider.

21 (2) Persons to be assigned a managed care provider shall be
22 informed in writing of the criteria for exceptions to capitated
23 managed care enrollment, their right to change HMOs for any reason
24 within the initial 90 days of enrollment, the toll-free telephone
25 number for problems and complaints, and information regarding
26 grievance and appeals rights.

27 (3) The criteria for medical exceptions to HMO enrollment

1 shall be based on submitted documentation that indicates a
2 recipient has a serious medical condition, and is undergoing active
3 treatment for that condition with a physician who does not
4 participate in 1 of the HMOs. If the person meets the criteria
5 established by this subsection, the department shall grant an
6 exception to mandatory enrollment at least through the current
7 prescribed course of treatment, subject to periodic review of
8 continued eligibility.

9 Sec. 1651. (1) Medical services patients who are enrolled in
10 HMOs have the choice to elect hospice services or other services
11 for the terminally ill that are offered by the HMOs. If the patient
12 elects hospice services, those services shall be provided in
13 accordance with part 214 of the public health code, 1978 PA 368,
14 MCL 333.21401 to 333.21420.

15 (2) The department shall not amend the medical services
16 hospice manual in a manner that would allow hospice services to be
17 provided without making available all comprehensive hospice
18 services described in 42 CFR part 418.

19 Sec. 1652. If the department implements changes in the
20 Medicaid health plan contract to permit contracted HMOs to request
21 service area expansions, it shall ensure that any Medicaid health
22 plan that expands its service area agrees to the following:

23 (a) The Medicaid HMO shall not sell, transfer, or otherwise
24 convey to any person all or any portion of the HMO's assets or
25 business, whether in the form of equity, debt, or otherwise, for a
26 period of 3 years from the date the Medicaid HMO commences
27 operations in a new service area.

1 (b) That any Medicaid HMOs that expand into a county with a
2 population of at least 1,500,000 shall also expand its coverage to
3 a county with a population of less than 100,000 which has 1 or
4 fewer HMOs participating in the Medicaid program.

5 Sec. 1653. Implementation and contracting for managed care by
6 the department through HMOs shall be subject to the following
7 conditions:

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

12 (b) The department shall require contracted HMOs to submit
13 data determined necessary for evaluation on a timely basis.

14 (c) Mandatory enrollment of Medicaid beneficiaries living in
15 counties defined as rural by the federal government, which is any
16 nonurban standard metropolitan statistical area, is allowed if
17 there is only 1 HMO serving the Medicaid population, as long as
18 each Medicaid beneficiary is assured of having a choice of at least
19 2 physicians by the HMO.

20 (d) Enrollment of recipients of children's special health care
21 services in HMOs shall be voluntary during the fiscal year.

22 (e) The department shall develop a case adjustment to its rate
23 methodology that considers the costs of persons with HIV/AIDS, end
24 stage renal disease, organ transplants, and other high-cost
25 diseases or conditions and shall implement the case adjustment when
26 it is proven to be actuarially and fiscally sound. Implementation
27 of the case adjustment must be budget neutral.

1 (f) Prior to contracting with an HMO for managed care services
2 that did not have a contract with the department before October 1,
3 2002, the department shall receive assurances from the office of
4 financial and insurance services that the HMO meets the net worth
5 and financial solvency requirements contained in chapter 35 of the
6 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

7 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
8 HMO covered services delivered other than through the HMO's
9 providers if medically necessary and approved by the HMO,
10 immediately required, and that could not be reasonably obtained
11 through the HMO's providers on a timely basis. Such services shall
12 be considered approved if the HMO does not respond to a request for
13 authorization within 24 hours of the request. Reimbursement shall
14 not exceed the Medicaid fee-for-service payment for those services.

15 Sec. 1655. (1) The department may require a 12-month lock-in
16 to the HMO selected by the recipient during the initial and
17 subsequent open enrollment periods, but allow for good cause
18 exceptions during the lock-in period.

19 (2) Medicaid recipients shall be allowed to change HMOs for
20 any reason within the initial 90 days of enrollment.

21 Sec. 1656. (1) The department shall provide an expedited
22 complaint review procedure for Medicaid eligible persons enrolled
23 in HMOs for situations in which failure to receive any health care
24 service would result in significant harm to the enrollee.

25 (2) The department shall provide for a toll-free telephone
26 number for Medicaid recipients enrolled in managed care to assist
27 with resolving problems and complaints. If warranted, the

1 department shall immediately disenroll persons from managed care
2 and approve fee-for-service coverage.

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

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

14 (3) Subsections (1) and (2) shall not be construed as a
15 requirement to alter an existing agreement between an HMO and their
16 contracting hospitals nor as a requirement that an HMO must
17 reimburse for services that are not considered to be medically
18 necessary.

19 (4) The department shall provide a report by September 30 of
20 the current fiscal year to the senate and house appropriations
21 subcommittees on community health and senate and house fiscal
22 agencies examining how payment policies in the current Medicaid
23 program create financial incentives for health facilities to admit
24 recipients from the emergency room.

25 Sec. 1658. (1) HMOs shall have contracts with hospitals within
26 a reasonable distance from their enrollees. If a hospital does not
27 contract with the HMO in its service area, that hospital shall

1 enter into a hospital access agreement as specified in the MSA
2 bulletin Hospital 01-19.

3 (2) A hospital access agreement specified in subsection (1)
4 shall be considered an affiliated provider contract pursuant to the
5 requirements contained in chapter 35 of the insurance code of 1956,
6 1956 PA 218, MCL 500.3501 to 500.3580.

7 Sec. 1659. The following sections of this act are the only
8 ones that shall apply to the following Medicaid managed care
9 programs, including the comprehensive plan, MIChoice long-term care
10 plan, and the mental health, substance abuse, and developmentally
11 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
12 456, 481, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657,
13 1658, 1660, 1661, 1662, 1666, 1699, 1711, 1749, 1752, and 1783.

14 Sec. 1660. (1) The department shall assure that all Medicaid
15 children have timely access to EPSDT services as required by
16 federal law. Medicaid HMOs shall provide EPSDT services to their
17 child members in accordance with Medicaid EPSDT policy.

18 (2) The primary responsibility of assuring a child's hearing
19 and vision screening is with the child's primary care provider. The
20 primary care provider shall provide age-appropriate screening or
21 arrange for these tests through referrals to local health
22 departments. Local health departments shall provide preschool
23 hearing and vision screening services and accept referrals for
24 these tests from physicians or from Head Start programs in order to
25 assure all preschool children have appropriate access to hearing
26 and vision screening. Local health departments shall be reimbursed
27 for the cost of providing these tests for Medicaid eligible

1 children by the Medicaid program.

2 (3) The department shall prohibit HMOs from requiring prior
3 authorization of their contracted providers for any EPSDT screening
4 and diagnosis services.

5 (4) The department shall require HMOs to be responsible for
6 well child visits as described in Medicaid policy. These
7 responsibilities shall be specified in the information distributed
8 by the HMOs to their members.

9 (5) The department shall provide, on an annual basis, budget
10 neutral incentives to Medicaid HMOs and local health departments to
11 improve performance on measures related to the care of children.

12 Sec. 1661. (1) The department shall assure that all Medicaid
13 eligible children and pregnant women have timely access to MSS/ISS
14 services. Medicaid HMOs shall assure that maternal support service
15 screening is available to their pregnant members and that those
16 women found to meet the maternal support service high-risk criteria
17 are offered maternal support services. Local health departments
18 shall assure that maternal support service screening is available
19 for Medicaid pregnant women not enrolled in an HMO and that those
20 women found to meet the maternal support service high-risk criteria
21 are offered maternal support services or are referred to a
22 certified maternal support service provider.

23 (2) The department shall prohibit HMOs from requiring prior
24 authorization of their contracted providers for any MSS/ISS
25 screening referral, or for up to 3 MSS/ISS service visits.

26 (3) The department shall require HMOs to be responsible for
27 maternal and infant support services as described in Medicaid

1 policy. These responsibilities shall be specified in the
2 information distributed by the HMOs to their members.

3 (4) The department shall assure the coordination of MSS/ISS
4 services with the WIC program, state-supported substance abuse,
5 smoking prevention, and violence prevention programs, the
6 department of human services, and any other state or local program
7 with a focus on preventing adverse birth outcomes and child abuse
8 and neglect.

9 (5) The department shall provide, on an annual basis, budget
10 neutral incentives to Medicaid HMOs and local health departments to
11 improve performance on measures related to the care of pregnant
12 women.

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

18 (2) The department shall require Medicaid HMOs to provide
19 EPSDT utilization data through the encounter data system, and
20 health employer data and information set well child health measures
21 in accordance with the National Committee on Quality Assurance
22 prescribed methodology.

23 (3) The department shall provide a copy of the analysis of the
24 Medicaid HMO annual audited health employer data and information
25 set reports and the annual external quality review report to the
26 senate and house of representatives appropriations subcommittees on
27 community health, the senate and house fiscal agencies, and the

1 state budget director, within 30 days of the department's receipt
2 of the final reports from the contractors.

3 (4) The department shall work with the Michigan association of
4 health plans and the Michigan association for local public health
5 to improve service delivery and coordination in the MSS/ISS and
6 EPSDT programs.

7 (5) The department shall assure that training and technical
8 assistance are available for EPSDT and MSS/ISS for Medicaid health
9 plans, local health departments, and MSS/ISS contractors.

10 Sec. 1666. To increase timely repayment of the maternity case
11 rate to health plans and reduce the need to recover revenue from
12 hospitals, the department shall implement system changes to assure
13 that children who are born to mothers who are Medicaid eligible and
14 enrolled in health plans are within 30 days after birth included in
15 the Medicaid eligibility file and enrolled in the same health plan
16 as the mother or any other health plan designated by the mother.

17 Sec. 1670. (1) The appropriation in part 1 for the MICHild
18 program is to be used to provide comprehensive health care to all
19 children under age 19 who reside in families with income at or
20 below 200% of the federal poverty level, who are uninsured and have
21 not had coverage by other comprehensive health insurance within 6
22 months of making application for MICHild benefits, and who are
23 residents of this state. The department shall develop detailed
24 eligibility criteria through the medical services administration
25 public concurrence process, consistent with the provisions of this
26 bill. Health coverage for children in families between 150% and
27 200% of the federal poverty level shall be provided through a

1 state-based private health care program.

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

8 (3) Children whose category of eligibility changes between the
9 Medicaid and MICHild programs shall be assured of keeping their
10 current health care providers through the current prescribed course
11 of treatment for up to 1 year, subject to periodic reviews by the
12 department if the beneficiary has a serious medical condition and
13 is undergoing active treatment for that condition.

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

18 (5) The department shall enter into a contract to obtain
19 MICHild services from any HMO, dental care corporation, or any
20 other entity that offers to provide the managed health care
21 benefits for MICHild services at the MICHild capitated rate. As
22 used in this subsection:

23 (a) "Dental care corporation", "health care corporation",
24 "insurer", and "prudent purchaser agreement" mean those terms as
25 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
26 550.52.

27 (b) "Entity" means a health care corporation or insurer

1 operating in accordance with a prudent purchaser agreement.

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

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

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

14 Sec. 1671. From the funds appropriated in part 1, the
15 department shall continue a comprehensive approach to the marketing
16 and outreach of the MICHild program. The marketing and outreach
17 required under this section shall be coordinated with current
18 outreach, information dissemination, and marketing efforts and
19 activities conducted by the department.

20 Sec. 1673. The department may establish premiums for MICHild
21 eligible persons in families with income above 150% of the federal
22 poverty level. The monthly premiums shall not be less than \$10.00
23 or exceed \$15.00 for a family.

24 Sec. 1677. The MICHild program shall provide all benefits
25 available under the state employee insurance plan that are
26 delivered through contracted providers and consistent with federal
27 law, including, but not limited to, the following medically

1 necessary services:

2 (a) Inpatient mental health services, other than substance
3 abuse treatment services, including services furnished in a state-
4 operated mental hospital and residential or other 24-hour
5 therapeutically planned structured services.

6 (b) Outpatient mental health services, other than substance
7 abuse services, including services furnished in a state-operated
8 mental hospital and community-based services.

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

11 (d) Dental services as outlined in the approved MICHild state
12 plan.

13 (e) Substance abuse treatment services that may include
14 inpatient, outpatient, and residential substance abuse treatment
15 services.

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

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

19 (h) Emergency ambulance services.

20 Sec. 1680. (1) It is the intent of the legislature that
21 payment increases for enhanced wages and new or enhanced employee
22 benefits shall be provided to those nursing homes that make
23 application for it to fund the Medicaid program share of wage and
24 employee benefit increases up to the equivalent of 50 cents per
25 employee hour. Employee benefits include, but are not limited to,
26 health benefits, retirement benefits, and quality of life benefits
27 such as day care services.

1 (2) The enhanced wages and new or enhanced employee benefit
2 increases shall be for those nursing homes which have a legally
3 binding, written commitment to increase employee wages and
4 benefits. To be eligible for wage and benefit increases, the
5 nursing home must submit the following to the department:

6 (a) Proof of a legally binding written commitment of the
7 enhanced wages and new or enhanced employee benefits.

8 (b) Proof of the existence of a method of enforcement of the
9 commitment, including, but not limited to, arbitration, that is
10 available to the employees or their representative, and to which
11 all of the following apply:

12 (i) It is expeditious.

13 (ii) It uses a neutral decision maker.

14 (iii) It is economical for the employees.

15 (c) Proof that the specific facility has provided written
16 notice of the terms of the commitment and the availability of the
17 enforcement mechanism to the relevant employees or their recognized
18 representatives.

19 (3) The department may inspect relevant payroll and personnel
20 records of nursing homes receiving the wage pass-through pursuant
21 to this section in order to ensure that the employee wage and
22 benefit increases provided for in this section have been
23 implemented.

24 (4) A nursing home employee's enforcement or attempted
25 enforcement of the written commitment pursuant to subsection (2)(a)
26 shall not constitute a basis for adverse action against that
27 employee.

1 (5) The cost of the wage and benefit increases shall be paid
2 from the increase appropriated in part 1 for long-term care
3 services.

4 (6) The wage pass-through shall not be used for previously
5 agreed-to wage or benefit increases as a result of collective
6 bargaining or for standard step increases.

7 (7) Payment increases for enhanced wages and new or enhanced
8 employee benefits provided in previous years through the Medicaid
9 nursing home wage pass-through program shall be continued.

10 Sec. 1681. From the funds appropriated in part 1 for home- and
11 community-based services, the department and local waiver agents
12 shall encourage the use of family members, friends, and neighbors
13 of home- and community-based services participants, where
14 appropriate, to provide homemaker services, meal preparation,
15 transportation, chore services, and other nonmedical covered
16 services to participants in the Medicaid home- and community-based
17 services program. This section shall not be construed as allowing
18 for the payment of family members, friends, or neighbors for these
19 services unless explicitly provided for in federal or state law.

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

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

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

6 (4) The department is authorized to use civil monetary penalty
7 funds to conduct a survey evaluating consumer satisfaction and the
8 quality of care at nursing homes. Factors can include, but are not
9 limited to, the level of satisfaction of nursing home residents,
10 their families, and employees. The department may use an
11 independent contractor to conduct the study.

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

14 Sec. 1683. The department shall promote activities that
15 preserve the dignity and rights of terminally ill and chronically
16 ill individuals. Priority shall be given to programs, such as
17 hospice, that focus on individual dignity and quality of care
18 provided persons with terminal illness and programs serving persons
19 with chronic illnesses that reduce the rate of suicide through the
20 advancement of the knowledge and use of improved, appropriate pain
21 management for these persons; and initiatives that train health
22 care practitioners and faculty in managing pain, providing
23 palliative care, and suicide prevention.

24 Sec. 1684. (1) Of the funds appropriated in part 1 for the
25 Medicaid home- and community-based services waiver program, the
26 payment rate allocated for administrative expenses for fiscal year
27 2008-2009 shall continue at the rate implemented in fiscal year

1 2005-2006 after the \$2.00 per person per day mandated reduction.

2 (2) The savings realized from continuing the reduced
3 administrative rate shall be reallocated to increase enrollment in
4 the waiver program and to provide direct services to eligible
5 program participants.

6 Sec. 1685. All nursing home rates, class I and class III, must
7 have their respective fiscal year rate set 30 days prior to the
8 beginning of their rate year. Rates may take into account the most
9 recent cost report prepared and certified by the preparer, provider
10 corporate owner or representative as being true and accurate, and
11 filed timely, within 5 months of the fiscal year end in accordance
12 with Medicaid policy. If the audited version of the last report is
13 available, it shall be used. Any rate factors based on the filed
14 cost report may be retroactively adjusted upon completion of the
15 audit of that cost report.

16 Sec. 1686. (1) The department shall submit a report by April
17 30 of the current fiscal year to the house of representatives and
18 senate appropriations subcommittees on community health and the
19 house and senate fiscal agencies on the progress of 4 Medicaid
20 long-term care single point of entry services pilot projects. The
21 department shall also submit a final plan to the house of
22 representatives and senate subcommittees on community health and
23 the house and senate fiscal agencies 60 days prior to any expansion
24 of the program.

25 (2) In addition to the report required under subsection (1),
26 the department shall report all of the following to the house of
27 representatives and senate appropriations subcommittees on

1 community health and the house of representatives and senate fiscal
2 agencies by September 30 of the current fiscal year:

3 (a) The total cost of the single point of entry program.

4 (b) The total cost of each designated single point of entry.

5 (c) The total amount of Medicaid dollars saved because of the
6 program.

7 (d) The total number of emergent single point of entry cases
8 handled and the average length of time for placement in long-term
9 care for those cases.

10 (e) The total number of single point of entry cases involving
11 transfer from hospital settings to long-term care settings and the
12 average length of time for placement of those cases in long-term
13 care settings.

14 (3) As used in this section, "single point of entry" means a
15 system that enables consumers to access Medicaid long-term care
16 services and supports through 1 agency or organization and that
17 promotes consumer education and choice of long-term care options.

18 Sec. 1688. The department shall not impose a limit on per unit
19 reimbursements to service providers that provide personal care or
20 other services under the Medicaid home- and community-based
21 services waiver program for the elderly and disabled. The
22 department's per day per client reimbursement cap calculated in the
23 aggregate for all services provided under the Medicaid home- and
24 community-based services waiver is not a violation of this section.

25 Sec. 1689. (1) Priority in enrolling additional persons in the
26 Medicaid home- and community-based services waiver program shall be
27 given to those who are currently residing in nursing homes or who

1 are eligible to be admitted to a nursing home if they are not
2 provided home- and community-based services. The department shall
3 use screening and assessment procedures to assure that no
4 additional Medicaid eligible persons are admitted to nursing homes
5 who would be more appropriately served by the Medicaid home- and
6 community-based services waiver program.

7 (2) Within 60 days of the end of each fiscal quarter, the
8 department shall provide a report to the senate and house
9 appropriations subcommittees on community health and the senate and
10 house fiscal agencies that details existing and future allocations
11 for the home- and community-based services waiver program by
12 regions as well as the associated expenditures. The report shall
13 include information regarding the net cost savings from moving
14 individuals from a nursing home to the home- and community-based
15 services waiver program, the number of individuals transitioned
16 from nursing homes to the home- and community-based services waiver
17 program, the number of individuals on waiting lists by region for
18 the program, and the amount of funds transferred during the fiscal
19 quarter. The report shall also include the number of Medicaid
20 individuals served and the number of days of care for the home- and
21 community-based services waiver program and in nursing homes.

22 (3) The department shall continue to develop a system to
23 collect and analyze information regarding individuals on the home-
24 and community-based services waiver waiting list to identify the
25 community supports they receive, including, but not limited to,
26 adult home help, food stamps, and housing assistance services and
27 to determine the extent to which these community supports help

1 individuals remain in their home and avoid entry into a nursing
2 home. The department shall provide a progress report on
3 implementation to the senate and house appropriations subcommittees
4 on community health and the senate and house fiscal agencies by
5 June 1 of the current fiscal year.

6 Sec. 1690. (1) The department shall submit a report to the
7 house and senate appropriations subcommittees on community health,
8 the house and senate fiscal agencies, and the state budget director
9 by April 1 of the current fiscal year, to include all data
10 collected on the quality assurance indicators in the preceding
11 fiscal year for the home- and community-based services waiver
12 program, as well as quality improvement plans and data collected on
13 critical incidents in the waiver program and their resolutions.

14 (2) The department shall submit a report to the house and
15 senate appropriations subcommittees on community health, the house
16 and senate fiscal agencies, and the state budget director by April
17 1 of the current fiscal year, to include all data collected on the
18 quality assurance indicators in the preceding fiscal year for the
19 adult home help program, as well as quality improvement plans and
20 data collected on critical incidents in the adult home help program
21 and their resolutions.

22 Sec. 1692. (1) The department is authorized to pursue
23 reimbursement for eligible services provided in Michigan schools
24 from the federal Medicaid program. The department and the state
25 budget director are authorized to negotiate and enter into
26 agreements, together with the department of education, with local
27 and intermediate school districts regarding the sharing of federal

1 Medicaid services funds received for these services. The department
2 is authorized to receive and disburse funds to participating school
3 districts pursuant to such agreements and state and federal law.

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

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

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

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

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

20 Sec. 1694. The department shall distribute \$695,000.00 to
21 children's hospitals that have a high indigent care volume. The
22 amount to be distributed to any given hospital shall be based on a
23 formula determined by the department of community health.

24 Sec. 1697. (1) As may be allowed by federal law or regulation,
25 the department may use funds provided by a local or intermediate
26 school district, which have been obtained from a qualifying health
27 system, as the state match required for receiving federal Medicaid

1 or children health insurance program funds. Any such funds received
2 shall be used only to support new school-based or school-linked
3 health services.

4 (2) A qualifying health system is defined as any health care
5 entity licensed to provide health care services in the state of
6 Michigan, that has entered into a contractual relationship with a
7 local or intermediate school district to provide or manage school-
8 based or school-linked health services.

9 Sec. 1699. The department may make separate payments directly
10 to qualifying hospitals serving a disproportionate share of
11 indigent patients in the amount of \$50,000,000.00, and to hospitals
12 providing graduate medical education training programs. If direct
13 payment for GME and DSH is made to qualifying hospitals for
14 services to Medicaid clients, hospitals will not include GME costs
15 or DSH payments in their contracts with HMOs.

16 Sec. 1710. Any proposed changes by the department to the
17 MIChoice home- and community-based services waiver program
18 screening process shall be provided to the members of the house and
19 senate appropriations subcommittees on community health 30 days
20 prior to implementation of the proposed changes.

21 Sec. 1711. (1) The department shall maintain the 2-tier
22 reimbursement methodology for Medicaid emergency physicians
23 professional services that was in effect on September 30, 2002,
24 subject to the following conditions:

25 (a) Payments by case and in the aggregate shall not exceed 70%
26 of Medicare payment rates.

27 (b) Total expenditures for these services shall not exceed the

1 level of total payments made during fiscal year 2001-2002, after
2 adjusting for Medicare copayments and deductibles and for changes
3 in utilization.

4 (2) To ensure that total expenditures stay within the spending
5 constraints of subsection (1)(b), the department shall develop a
6 utilization adjustor for the basic 2-tier payment methodology. The
7 adjustor shall be based on a good faith estimate by the department
8 as to what the expected utilization of emergency room services will
9 be during fiscal year 2008-2009, given changes in the number and
10 category of Medicaid recipients. If expenditure and utilization
11 data indicate that the amount and/or type of emergency physician
12 professional services are exceeding the department's estimate, the
13 utilization adjustor shall be applied to the 2-tier reimbursement
14 methodology in such a manner as to reduce aggregate expenditures to
15 the fiscal year 2001-2002 adjusted expenditure target.

16 Sec. 1716. The department shall seek to maintain a constant
17 enrollment level within the Medicaid adult benefits waiver program
18 throughout fiscal year 2008-2009.

19 Sec. 1717. (1) The department shall create 2 pools for
20 distribution of disproportionate share hospital funding. The first
21 pool, totaling \$45,000,000.00, shall be distributed using the
22 distribution methodology used in fiscal year 2003-2004. The second
23 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
24 hospitals and hospital systems that received less than \$900,000.00
25 in disproportionate share hospital payments in fiscal year 2003-
26 2004 based on a formula that is weighted proportional to the
27 product of each eligible system's Medicaid revenue and each

1 eligible system's Medicaid utilization.

2 (2) By September 30 of the current fiscal year, the department
3 shall report to the senate and house appropriations subcommittees
4 on community health and the senate and house fiscal agencies on the
5 new distribution of funding to each eligible hospital from the 2
6 pools.

7 Sec. 1718. The department shall provide each Medicaid adult
8 home help beneficiary or applicant with the right to a fair hearing
9 when the department or its agent reduces, suspends, terminates, or
10 denies adult home help services. If the department takes action to
11 reduce, suspend, terminate, or deny adult home help services, it
12 shall provide the beneficiary or applicant with a written notice
13 that states what action the department proposes to take, the
14 reasons for the intended action, the specific regulations that
15 support the action, and an explanation of the beneficiary's or
16 applicant's right to an evidentiary hearing and the circumstances
17 under which those services will be continued if a hearing is
18 requested.

19 Sec. 1721. The department shall conduct a review of Medicaid
20 eligibility pertaining to funds prepaid to a nursing home or other
21 health care facility that are subsequently returned to an
22 individual who becomes Medicaid eligible and shall report its
23 findings to the members of the house and senate appropriations
24 subcommittees on community health and the house and senate fiscal
25 agencies not later than May 15 of the current fiscal year. Included
26 in its report shall be recommendations for policy and procedure
27 changes regarding whether any funds prepaid to a nursing home or

1 other health care facility that are subsequently returned to an
2 individual, after the date of Medicaid eligibility and patient pay
3 amount determination, shall be considered as a countable asset and
4 recommendations for a mechanism for departmental monitoring of
5 those funds.

6 Sec. 1722. (1) From the funds appropriated in part 1 for
7 special Medicaid reimbursement payments, the department is
8 authorized to make a disproportionate share payment of
9 \$33,167,700.00 for health services provided by Hutzel Hospital.

10 (2) The funding authorized under subsection (1) shall only be
11 expended if the necessary Medicaid matching funds are provided by,
12 or on behalf of, the hospital as allowable state match.

13 Sec. 1728. The department shall make available to qualifying
14 Medicaid recipients, not based on Medicare guidelines, freestanding
15 electrical lifting and transferring devices.

16 Sec. 1731. The department shall continue an asset test to
17 determine Medicaid eligibility for individuals who are parents,
18 caretaker relatives, or individuals between the ages of 18 and 21
19 and who are not required to be covered under federal Medicaid
20 requirements.

21 Sec. 1733. The department shall seek additional federal funds
22 to permit the state to provide financial support for electronic
23 prescribing and other health information technology initiatives.

24 Sec. 1734. The department shall seek federal funds that will
25 permit the state to provide financial incentives for positive
26 health behavior practiced by Medicaid recipients. The structure of
27 this incentive program may be similar to programs in other states

1 that authorize monetary rewards to be deposited in individual
2 accounts for Medicaid recipients who demonstrate positive changes
3 in health behavior.

4 Sec. 1739. The department shall continue to establish medical
5 outcome targets for the 10 most prevalent and costly ailments
6 affecting Medicaid recipients. The department may use indicators
7 that recipients are successfully managing chronic disease, measures
8 of recipient compliance with treatment plans, and studies of the
9 proportion of Medicaid providers who follow established best
10 practices in treating chronic disease as possible medical outcome
11 target measures. The department shall make bonus payments,
12 independent of HMO rate adjustments utilized in fiscal year 2005-
13 2006, available to Medicaid HMOs that meet these outcome targets.

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

19 Sec. 1741. The department shall continue to provide nursing
20 homes the opportunity to receive interim payments upon their
21 request. The department shall make efforts to ensure that the
22 interim payments are as similar to expected cost-settled payments
23 as possible.

24 Sec. 1742. The department shall allow the retention of
25 \$1,000,000.00 in special Medicaid reimbursement funding by any
26 public hospital that meets each of the following criteria:

27 (a) The hospital participates in the intergovernmental

1 transfers.

2 (b) The hospital is not affiliated with a university.

3 (c) The hospital provides surgical services.

4 (d) The hospital has at least 10,000 Medicaid bed days.

5 Sec. 1752. The department shall provide a Medicaid health plan
6 with any information that may assist the Medicaid health plan in
7 determining whether another party may be responsible, in whole or
8 in part, for the payment of health benefits.

9 Sec. 1753. Upon passage of legislation, the department shall
10 collect from auto insurers in this state on a monthly basis
11 information necessary to enable the department to determine whether
12 an individual who is receiving payments of medical expenses from
13 the auto insurer is also a Medicaid recipient. For each individual
14 that the department identifies under this section, the department
15 shall submit a claim for payment to the auto insurer if a Medicaid
16 payment has been made on behalf of the Medicaid recipient. The
17 department shall consult with auto insurers in this state to
18 establish a system by which information and claims shall be
19 processed.

20 Sec. 1759. The department shall implement the following policy
21 changes included in the federal deficit reduction act of 2005,
22 Public Law 109-171:

23 (a) Lengthening the look back policy for asset transfers from
24 3 to 5 years.

25 (b) Changing the penalty period to begin the day an individual
26 applies for Medicaid.

27 (c) Individuals with more than \$500,000.00 in home equity do

1 not qualify for Medicaid.

2 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL
3 400.601 to 400.613, to collect an enhanced state share of damages
4 collected from entities that have been successfully prosecuted for
5 filing a fraudulent Medicaid claim.

6 Sec. 1761. (1) The department shall distribute all funds
7 recovered by the medical services administration from prior and
8 future Medicaid access to care initiative payments exceeding the
9 hospital upper payment limit for inpatient and outpatient services
10 to a hospital that meets any of the following characteristics:

11 (a) Is located in a rural county as determined by the most
12 recent United States census or is located in a city or a village or
13 township with a population of not more than 12,000 in a county with
14 a population with not more than 70,000 as of the official federal
15 2000 decennial census.

16 (b) Is a Medicare sole community hospital.

17 (c) Is a Medicare dependent hospital and rural referral center
18 hospital.

19 (2) The distribution under subsection (1) shall be based upon
20 each hospital's Medicaid fee-for-service and HMO payments as
21 developed in consultation with rural hospitals and the Michigan
22 health and hospital association.

23 Sec. 1764. The department shall annually certify rates paid to
24 Medicaid health plans as being actuarially sound in accordance with
25 federal requirements and shall provide a copy of the rate
26 certification and approval immediately to the house of
27 representatives and senate appropriations subcommittees on

1 community health and the house and senate fiscal agencies.

2 Sec. 1767. The department shall study and evaluate the impact
3 of the change in the way in which the Medicaid program pays
4 pharmacists for prescriptions from average wholesale price to
5 average manufacturer price as required by the federal deficit
6 reduction act of 2005, Public Law 109-171. By March 1 of the
7 current fiscal year, the department shall submit a report, upon
8 release of the data from the center for Medicare and Medicaid
9 services, of its study to the senate and house appropriations
10 subcommittees on community health and the senate and house fiscal
11 agencies. If the department finds that there is a negative impact
12 on the pharmacists, the department shall reexamine the current
13 pharmaceutical dispensing fee structure established under section
14 1620 and include in the report recommendations and proposals to
15 counter the negative impact of that federal legislation.

16 Sec. 1770. In conjunction with the consultation requirements
17 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
18 except as otherwise provided in this section, the department shall
19 attempt to make the effective date for a proposed Medicaid policy
20 bulletin or adjustment to the Medicaid provider manual on October
21 1, January 1, April 1, or July 1 after the end of the consultation
22 period. The department may provide an effective date for a proposed
23 Medicaid policy bulletin or adjustment to the Medicaid provider
24 manual other than provided for in this section if necessary to be
25 in compliance with federal or state law, regulations, or rules or
26 with an executive order of the governor.

27 Sec. 1772. From the funds appropriated in part 1, the

1 department shall continue a program, the primary goal of which is
2 to enroll all children in foster care in Michigan in a Medicaid
3 health maintenance organization.

4 Sec. 1773. The department shall establish and implement a bid
5 process to identify a single private contractor to provide Medicaid
6 covered nonemergency transportation services in each county with a
7 population over 750,000 individuals.

8 Sec. 1775. (1) The department shall study the feasibility of
9 using managed care to deliver Medicaid long-term care services. The
10 study shall focus upon the following:

11 (a) If there is a sufficient number of organizations
12 interested in providing these services.

13 (b) The extent of services provided through Medicaid managed
14 long-term care.

15 (c) Estimated changes in Medicaid long-term care expenditure
16 associated with implementing managed care for these services.

17 (2) The department shall report the results of this study to
18 the senate and house appropriations subcommittees on community
19 health and the senate and house fiscal agencies by June 1 of the
20 current fiscal year.

21 Sec. 1776. If the department continues to utilize the Medicare
22 outpatient prospective payment system methodology to reimburse
23 hospitals for Medicaid clients seen in the outpatient setting
24 including the emergency room, then the Medicaid reduction factor
25 utilized by the department to compute the amount of payment made by
26 Medicaid health plans to hospitals must be revenue neutral and
27 actuarially sound.

1 Sec. 1780. If congressional action results in an increase in
2 Michigan's federal medical assistance percentage in fiscal year
3 2008-2009, it is the intent of the legislature that a portion of
4 this new funding be used to augment physician primary care codes
5 fee screens and hospital neonatal and pediatric intensive care unit
6 payments.

7 Sec. 1783. Effective October 1, 2008, the department shall
8 permit the enrollment of individuals dually eligible for Medicare
9 and Medicaid into Medicaid health plans if those health plans also
10 maintain a Medicare advantage special needs plan certified by the
11 centers for Medicare and Medicaid services.

12 Sec. 1788. (1) From the funds appropriated in part 1 for adult
13 home help services, \$2,768,700.00 is allocated to establish a home
14 help health care trust.

15 (2) Funds from the trust shall be used to provide health care
16 benefits to home help workers in cooperation with the Michigan
17 quality community care council.

18 Sec. 1791. (1) From the money appropriated in part 1 for
19 physician services, \$100.00 shall be allocated to increase Medicaid
20 reimbursement rates for primary care and well child visit procedure
21 codes. The increased reimbursement rates in this section shall be
22 implemented October 1, 2008 and shall not exceed the comparable
23 Medicare payment rate for the same services.

24 (2) The money allocated under subsection (1) shall be
25 distributed as a fee for service rate increase for primary care
26 procedure codes and for well child visit procedure codes.

27 (3) By October 1, 2008, the department shall provide a report

1 to the house and senate appropriations subcommittees on community
2 health and the house and senate fiscal agencies that identifies the
3 specific procedure codes affected by this section and the amount
4 and percentage increase provided for each procedure code.

5 Sec. 1796. The department shall direct the health information
6 technology commission to examine strategies that promote the
7 ability to share medical records. The department shall report the
8 commission's findings by July 1, 2009.

9 Sec. 1800. The department may develop appropriate protocol to
10 ensure that no interchange of an immunosuppressant drug or
11 formulation of an immunosuppressant drug, brand or generic, for the
12 treatment of a Medicaid patient following a transplant occurs
13 without prior notification and consent to the interchange from both
14 the prescribing practitioner and the Medicaid patient.

15 Sec. 1805. From the funds appropriated in part 1 for personal
16 care services, beginning October 1, 2008, the department shall
17 increase the monthly Medicaid personal care supplement paid to
18 adult foster care facilities and homes for the aged that provide
19 personal care services to Medicaid beneficiaries by \$8.00.

20 Sec. 1806. From the funds appropriated in part 1 for the
21 county indigent care and third share plans, \$100.00 shall be
22 allocated for the expansion of county health plans.

23 Sec. 1807. (1) The department may convene a workgroup to
24 evaluate and report on the feasibility of establishing a Medicaid
25 payment mechanism for the reimbursement of mental health services
26 by primary care physicians.

27 (2) The department may report the findings of this workgroup

1 to the house and senate appropriations subcommittees on community
2 health and the house and senate fiscal agencies by April 1, 2009.

3 Sec. 1808. From the funds appropriated in part 1 for ambulance
4 services, \$100.00 shall be allocated for an ambulance quality
5 assurance assessment program.