

**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

PART 1

2

LINE-ITEM APPROPRIATIONS

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Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the department of

Senate Bill No. 1094 as amended March 25, 2008

community health for the fiscal year ending September 30, 2009,
from the funds indicated in this part. The following is a summary
of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 4,594.7

Average population 970.4

GROSS APPROPRIATION..... \$<<12,482,872,700>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 40,883,900

ADJUSTED GROSS APPROPRIATION..... \$<<12,441,988,800>>

Federal revenues:

Total federal revenues..... <<7,159,893,600>>

Special revenue funds:

Total local revenues..... 241,980,600

Total private revenues..... 66,686,800

Merit award trust fund..... 98,700,000

Total other state restricted revenues..... 1,792,486,200

State general fund/general purpose..... \$<<3,082,241,600>>

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 206.2

Director and other unclassified--6.0 FTE positions... \$ 299,300

Departmental administration and management--171.2

FTE positions 21,908,000

1	Internal audit consolidation.....	759,000
2	Office of long-term care and supports and	
3	services--25.0 FTE postions	3,882,000
4	Worker's compensation program.....	8,911,000
5	Rent and building occupancy.....	10,535,000
6	Developmental disabilities council and	
7	projects--10.0 FTE positions	<u>2,774,500</u>
8	GROSS APPROPRIATION.....	\$ 49,068,800
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	15,418,800
12	Special revenue funds:	
13	Total private revenues.....	76,000
14	Total other state restricted revenues.....	3,242,700
15	State general fund/general purpose.....	\$ 30,331,300
16	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
17	ADMINISTRATION AND SPECIAL PROJECTS	
18	Full-time equated classified positions..... 109.0	
19	Mental health/substance abuse program	
20	administration--108.0 FTE positions.....	\$ 13,476,500
21	Consumer involvement program.....	189,100
22	Gambling addiction--1.0 FTE positions.....	3,000,000
23	Protection and advocacy services support	777,400
24	Mental health initiatives for older persons	1,291,200
25	Community residential and support services	2,514,600
26	Highway safety projects.....	400,000
27	Federal and other special projects	3,547,200

1	Family support subsidy.....	18,599,200
2	Housing and support services.....	<u>9,306,800</u>
3	GROSS APPROPRIATION.....	\$ 53,102,000
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.....	\$ 14,870,200
10	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE	
11	SERVICES PROGRAMS	
12	Full-time equated classified positions.....	9.5
13	Medicaid mental health services.....	\$ 1,797,013,200
14	Community mental health non-Medicaid services.....	321,449,700
15	Medicaid adult benefits waiver.....	40,000,000
16	Multicultural services.....	6,473,800
17	Medicaid substance abuse services.....	37,192,800
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	2,509,800
24	Community substance abuse prevention, education and	
25	treatment programs	84,968,000
26	Children's waiver home care program.....	19,549,800
27	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,150,400

1	Children with serious emotional disturbance waiver...	570,000
2	Pilot projects in prevention for adults and children.	<u>100</u>
3	GROSS APPROPRIATION.....	\$ 2,474,350,500
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	Federal revenues:	
7	Total federal revenues.....	1,237,269,100
8	Special revenue funds:	
9	Total local revenues.....	25,228,900
10	Total other state restricted revenues.....	102,111,800
11	State general fund/general purpose.....	\$ 1,109,740,700
12	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
13	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND	
14	FORENSIC AND PRISON MENTAL HEALTH SERVICES	
15	Total average population	970.4
16	Full-time equated classified positions.....	2,818.7
17	Caro regional mental health center - psychiatric	
18	hospital - adult--404.0 FTE positions.....	\$ 44,236,200
19	Average population	158.0
20	Kalamazoo psychiatric hospital - adult--431.5 FTE	
21	positions	42,646,000
22	Average population	167.6
23	Walter P. Reuther psychiatric hospital -	
24	adult--444.2 FTE positions	45,533,500
25	Average population	238.8
26	Hawthorn center - psychiatric hospital - children	
27	and adolescents--250.8 FTE positions.....	22,749,700

1	Average population	78.6	
2	Mount Pleasant center - developmental		
3	disabilities--393.3 FTE positions.....		43,198,700
4	Average population	117.4	
5	Center for forensic psychiatry--578.6 FTE positions ..		60,482,600
6	Average population	210.0	
7	Forensic mental health services provided to the		
8	department of corrections--316.3 FTE positions.....		39,344,800
9	Revenue recapture.....		750,000
10	IDEA, federal special education.....		120,000
11	Special maintenance and equipment.....		335,300
12	Purchase of medical services for residents of		
13	hospitals and centers		1,045,600
14	Closed site, transition, and related costs.....		100
15	Severance pay.....		216,900
16	Gifts and bequests for patient living and treatment		
17	environment		<u>1,000,000</u>
18	GROSS APPROPRIATION.....	\$	301,659,400
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Interdepartmental grant from the department of		
22	corrections		39,344,800
23	Federal revenues:		
24	Total federal revenues.....		38,400,900
25	Special revenue funds:		
26	CMHSP, purchase of state services contracts.....		134,605,300
27	Other local revenues.....		16,811,700

1	Total private revenues.....	1,000,000
2	Total other state restricted revenues.....	14,736,500
3	State general fund/general purpose.....	\$ 56,760,200
4	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
5	Full-time equated classified positions.....	99.7
6	Public health administration--8.3 FTE positions.....	\$ 2,212,300
7	Healthy Michigan fund programs.....	15,190,400
8	Minority health grants and contracts--3.0 FTE	
9	positions	593,200
10	Promotion of healthy behaviors.....	1,700,000
11	Vital records and health statistics--88.4 FTE	
12	positions	<u>11,199,800</u>
13	GROSS APPROPRIATION.....	\$ 30,895,700
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	Interdepartmental grant from the department of human	
17	services	981,600
18	Federal revenues:	
19	Total federal revenues.....	6,018,400
20	Special revenue funds:	
21	Total private revenues.....	2,000,000
22	Total other state restricted revenues.....	20,291,500
23	State general fund/general purpose.....	\$ 1,604,200
24	Sec. 107. HEALTH POLICY, REGULATION, AND	
25	PROFESSIONS	
26	Full-time equated classified positions.....	403.6
27	Health systems administration--193.6 FTE positions ...	\$ 22,959,800

1	Emergency medical services program state staff--8.5	
2	FTE positions	1,476,100
3	Radiological health administration--21.4 FTE positions	2,747,100
4	Emergency medical services grants and services	660,000
5	Health professions--130.0 FTE positions	22,607,700
6	Background check program--5.5 FTE positions	4,956,400
7	Health policy, regulation, and professions	
8	administration--25.2 FTE positions.....	2,949,000
9	Nurse scholarship, education, and research	
10	program--3.0 FTE positions	990,900
11	Certificate of need program administration--14.0 FTE	
12	positions	1,775,100
13	Rural health services--1.0 FTE positions	1,404,400
14	Michigan essential health provider	1,952,100
15	Primary care services--1.4 FTE positions	<u>4,366,800</u>
16	GROSS APPROPRIATION.....	\$ 68,845,400
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	Interdepartmental grant from the department of	
20	treasury, Michigan state hospital finance authority.	116,300
21	Federal revenues:	
22	Total federal revenues	26,015,300
23	Special revenue funds:	
24	Total local revenues	227,700
25	Total private revenues	455,000
26	Total other state restricted revenues	33,762,800
27	State general fund/general purpose	\$ 8,268,300

1	Sec. 108. INFECTIOUS DISEASE CONTROL		
2	Full-time equated classified positions.....	51.7	
3	AIDS prevention, testing, and care programs--12.7		
4	FTE positions		\$ 38,468,200
5	Immunization local agreements.....		12,340,300
6	Immunization program management and field		
7	support--15.0 FTE positions		1,653,300
8	Pediatric AIDS prevention and control--1.0 FTE		
9	positions		1,225,200
10	Sexually transmitted disease control local agreements		3,360,700
11	Sexually transmitted disease control management and		
12	field support--23.0 FTE positions.....		<u>3,686,200</u>
13	GROSS APPROPRIATION.....		\$ 60,733,900
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		42,077,900
17	Special revenue funds:		
18	Total private revenues.....		7,997,900
19	Total other state restricted revenues.....		5,729,300
20	State general fund/general purpose.....		\$ 4,928,800
21	Sec. 109. LABORATORY SERVICES		
22	Full-time equated classified positions.....	122.0	
23	Bovine tuberculosis--1.0 FTE positions.....		\$ 500,400
24	Laboratory services--121.0 FTE positions.....		<u>19,023,000</u>
25	GROSS APPROPRIATION.....		\$ 19,523,400
26	Appropriated from:		
27	Interdepartmental grant revenues:		

1	Interdepartmental grant from the department of	
2	environmental quality	441,200
3	Federal revenues:	
4	Total federal revenues	2,799,400
5	Special revenue funds:	
6	Total other state restricted revenues	8,343,200
7	State general fund/general purpose	\$ 7,939,600
8	Sec. 110. EPIDEMIOLOGY	
9	Full-time equated classified positions..... 128.4	
10	AIDS surveillance and prevention program	\$ 2,254,100
11	Asthma prevention and control--2.6 FTE positions	1,065,100
12	Bioterrorism preparedness--68.6 FTE positions	50,369,400
13	Epidemiology administration--40.7 FTE positions	7,000,000
14	Lead abatement program--7.0 FTE positions	2,177,800
15	Methamphetamine cleanup fund	100,000
16	Newborn screening follow-up and treatment	
17	services--9.5 FTE positions	4,534,500
18	Tuberculosis control and prevention	<u>867,000</u>
19	GROSS APPROPRIATION	\$ 68,367,900
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	59,411,300
23	Special revenue funds:	
24	Total local revenues	500,000
25	Total private revenues	25,000
26	Total other state restricted revenues	4,996,900
27	State general fund/general purpose	\$ 3,434,700

1	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS		
2	Implementation of 1993 PA 133, MCL 333.17015	\$	50,000
3	Local public health operations		41,618,400
4	Medicaid outreach cost reimbursement to local health		
5	departments		<u>9,000,000</u>
6	GROSS APPROPRIATION	\$	50,668,400
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues		9,000,000
10	Special revenue funds:		
11	Total local revenues		5,150,000
12	State general fund/general purpose	\$	36,518,400
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		99,500
20	Cancer prevention and control program--12.0 FTE		
21	positions		12,601,800
22	Chronic disease prevention--22.7 FTE positions		3,735,000
23	Diabetes and kidney program--12.2 FTE positions		1,687,000
24	Health education, promotion, and research		
25	programs--6.5 FTE positions		812,500
26	Injury control intervention project		404,500
27	Public health traffic safety coordination--1.0 FTE		

1	positions	356,400
2	Smoking prevention program--14.0 FTE positions	2,036,100
3	Violence prevention--1.9 FTE positions	<u>1,889,800</u>
4	GROSS APPROPRIATION.....	\$ 25,080,300
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	21,309,500
8	Special revenue funds:	
9	Total private revenues	146,600
10	Total other state restricted revenues	2,119,800
11	State general fund/general purpose	\$ 1,504,400
12	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
13	SERVICES	
14	Full-time equated classified positions..... 52.3	
15	Adolescent and child health care centers	\$ 200
16	Childhood lead program--6.0 FTE positions	1,557,500
17	Dental programs	335,400
18	Dental program for persons with developmental	
19	disabilities	151,000
20	Early childhood collaborative secondary prevention ...	1,000,000
21	Family, maternal, and children's health services	
22	administration--40.6 FTE positions	5,184,900
23	Family planning local agreements	9,385,700
24	Local MCH services	7,018,100
25	Migrant health care	272,200
26	Pregnancy prevention program	602,100
27	Prenatal care outreach and service delivery support ..	3,049,300

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1	Special projects--5.7 FTE positions.....	<<3,117,200>>
2	Sudden infant death syndrome program.....	<u>321,300</u>
3	GROSS APPROPRIATION.....	\$ <<31,994,900>>
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	25,976,600
7	Special revenue funds:	
8	Total local revenues.....	75,000
9	State general fund/general purpose.....	\$ <<5,943,300>>
10	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND	
11	NUTRITION PROGRAM	
12	Full-time equated classified positions.....	43.0
13	Women, infants, and children program administration	
14	and special projects--43.0 FTE positions.....	\$ 8,955,100
15	Women, infants, and children program local	
16	agreements and food costs	<u>201,845,500</u>
17	GROSS APPROPRIATION.....	\$ 210,800,600
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	157,556,300
21	Special revenue funds:	
22	Total private revenues.....	53,244,300
23	State general fund/general purpose.....	\$ 0
24	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
25	(CSHCS)	
26	Full-time equated classified positions.....	47.8
27	Children's special health care services	

1	administration--47.8 FTE positions.....	\$	4,540,100
2	Amputee program.....		184,600
3	Bequests for care and services.....		1,514,600
4	Outreach and advocacy.....		3,773,500
5	Non-emergency medical transportation.....		1,492,200
6	Medical care and treatment.....		<u>200,288,000</u>
7	GROSS APPROPRIATION.....	\$	211,793,000
8	Appropriated from:		
9	Federal revenues:		
10	Total federal revenues.....		108,246,600
11	Special revenue funds:		
12	Total private revenues.....		1,000,000
13	Total other state restricted revenues.....		2,295,300
14	State general fund/general purpose.....	\$	100,251,100
15	Sec. 116. OFFICE OF DRUG CONTROL POLICY		
16	Full-time equated classified positions..... 15.0		
17	Drug control policy--15.0 FTE positions.....	\$	1,754,300
18	Anti-drug abuse grants.....		8,575,000
19	Interdepartmental grant to judiciary for drug		
20	treatment courts		<u>1,800,000</u>
21	GROSS APPROPRIATION.....	\$	12,129,300
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues.....		11,747,000
25	State general fund/general purpose.....	\$	382,300
26	Sec. 117. CRIME VICTIM SERVICES COMMISSION		
27	Full-time equated classified positions..... 10.0		

1	Grants administration services--10.0 FTE positions ...	\$	1,395,000
2	Justice assistance grants		13,000,000
3	Crime victim rights services grants		11,000,000
4	Crime victim's rights fund revenue to Michigan state		
5	police		1,030,400
6	Crime victim's rights fund revenue to department of		
7	human services		<u>1,300,000</u>
8	GROSS APPROPRIATION	\$	27,725,400
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		15,050,500
12	Special revenue funds:		
13	Total other state restricted revenues		12,674,900
14	State general fund/general purpose	\$	0
15	Sec. 118. OFFICE OF SERVICES TO THE AGING		
16	Full-time equated classified positions..... 36.5		
17	Commission (per diem \$50.00)	\$	10,500
18	Office of services to aging administration--36.5 FTE		
19	positions		5,366,400
20	Community services		36,134,200
21	Nutrition services		37,755,500
22	Foster grandparent volunteer program		2,813,500
23	Retired and senior volunteer program		790,200
24	Senior companion volunteer program		2,021,200
25	Employment assistance		3,213,300
26	Senior Olympics		100,000
27	Respite care program		<u>6,800,000</u>

1	GROSS APPROPRIATION.....	\$	95,004,800
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		53,414,800
5	Special revenue funds:		
6	Total private revenues.....		152,000
7	Merit award trust fund.....		5,000,000
8	Total other state restricted revenues.....		1,800,000
9	State general fund/general purpose.....	\$	34,638,000
10	Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN		
11	Michigan first healthcare plan.....	\$	<u>100,000,000</u>
12	GROSS APPROPRIATION.....	\$	100,000,000
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues.....		100,000,000
16	State general fund/general purpose.....	\$	0
17	Sec. 120. MEDICAL SERVICES ADMINISTRATION		
18	Full-time equated classified positions..... 371.0		
19	Medical services administration--371.0 FTE positions .	\$	61,806,300
20	Facility inspection contract.....		132,800
21	MIChild administration.....		4,327,800
22	Health information technology initiatives.....		<u>5,000,000</u>
23	GROSS APPROPRIATION.....	\$	71,266,900
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues.....		46,020,200
27	Total local revenues.....		5,000

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1	Total other state restricted revenues	95,000
2	State general fund/general purpose	\$ 25,146,700
3	Sec. 121. MEDICAL SERVICES	
4	Hospital services and therapy	\$ <<1,408,938,900>>
5	Hospital disproportionate share payments	50,000,000
6	Physician services	317,222,000
7	Medicare premium payments	347,246,500
8	Pharmaceutical services	270,259,700
9	Home health services	6,228,800
10	Hospice services	100,999,800
11	Transportation	11,198,200
12	Auxiliary medical services	10,439,100
13	Dental services	<<132,062,500>>
14	Ambulance services	13,147,200
15	Long-term care services	1,566,813,200
16	Medicaid home and community-based services waiver	139,776,600
17	Adult home help services	255,551,800
18	Personal care services	18,881,300
19	Program of all-inclusive care for the elderly	11,200,000
20	Single point of entry	14,724,200
21	Health plan services	2,993,973,900
22	MIChild program	38,654,300
23	Plan first family planning waiver	5,785,500
24	Medicaid adult benefits waiver	137,057,900
25	County indigent care and third share plans	88,518,500
26	Federal Medicare pharmaceutical program	178,055,800
27	Promotion of healthy behavior waiver	10,000,000

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1	Maternal and child health.....	20,279,500
2	Social services to the physically disabled.....	1,344,900
3	Subtotal basic medical services program.....	<<8,148,360,100>>
4	School-based services.....	89,201,000
5	Special Medicaid reimbursement.....	229,906,200
6	Subtotal special medical services payments.....	<u>319,107,200</u>
7	GROSS APPROPRIATION.....	\$ <<8,467,467,300>>
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues.....	<<5,112,320,800>>
11	Special revenue funds:	
12	Total local revenues.....	59,377,000
13	Total private revenues.....	400,000
14	Merit award trust fund.....	93,700,000
15	Total other state restricted revenues.....	1,573,684,400
16	State general fund/general purpose.....	\$ <<1,627,985,100>>
17	Sec. 122. INFORMATION TECHNOLOGY	
18	Information technology services and projects.....	\$ 35,593,700
19	Michigan Medicaid information system.....	<u>16,801,100</u>
20	GROSS APPROPRIATION.....	\$ 52,394,800
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	36,798,400
24	Special revenue funds:	
25	Total other state restricted revenues.....	3,602,100
26	State general fund/general purpose.....	\$ 11,994,300

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is <<\$4,973,427,800.00>> and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$1,286,188,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

AND SPECIAL PROJECTS

Community residential and support services	\$	387,300
Housing and support services		695,500
Mental health initiatives for older persons		1,049,200
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
State disability assistance program substance		
abuse services	\$	2,509,800
Community substance abuse prevention, education, and		
treatment programs		12,473,900
Medicaid mental health services		684,724,400
Community mental health non-Medicaid services		321,449,700
Medicaid adult benefits waiver		11,124,000
Multicultural services		6,473,800
Medicaid substance abuse services		14,776,700

1	Respite services.....		1,000,000
2	Children's waiver home care program.....		5,437,000
3	Nursing home PASARR.....		2,731,800
4	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
5	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
6	MENTAL HEALTH SERVICES		
7	Center for forensic psychiatry.....	\$	290,300
8	PUBLIC HEALTH ADMINISTRATION		
9	Minority health grants and contracts.....	\$	100,000
10	Public health administration.....		12,000
11	HEALTH POLICY, REGULATION AND PROFESSIONS		
12	Primary care services.....	\$	88,900
13	INFECTIOUS DISEASE CONTROL		
14	AIDS prevention, testing and care programs.....	\$	824,400
15	Immunization local agreements.....		375,700
16	Sexually transmitted disease control local agreements		421,800
17	EPIDEMIOLOGY		
18	Methamphetamine cleanup fund.....	\$	100,000
19	LOCAL HEALTH ADMINISTRATION AND GRANTS		
20	Implementation of 1993 PA 133.....	\$	5,300
21	Local public health operations.....		36,468,400
22	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
23	Cancer prevention and control program.....	\$	350,300
24	Diabetes and kidney program.....		313,100
25	Smoking prevention program.....		906,200
26	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
27	Childhood lead program.....	\$	240,300

1	Dental programs.....		25,000
2	Family planning local agreements.....		111,300
3	Local MCH services.....		184,600
4	Pregnancy prevention program.....		602,100
5	Prenatal care outreach and service delivery support ..		697,800
6	Special projects.....		657,500
7	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
8	Medical care and treatment.....	\$	618,000
9	Outreach and advocacy.....		1,283,200
10	MEDICAL SERVICES		
11	Dental services.....	\$	2,035,500
12	Long-term care services.....		111,978,200
13	Transportation.....		2,799,600
14	Medicaid adult benefits waiver.....		9,664,700
15	Hospital services and therapy.....		6,278,600
16	Physician services.....		5,556,100
17	OFFICE OF SERVICES TO THE AGING		
18	Community services.....	\$	15,044,000
19	Nutrition services.....		11,405,600
20	Foster grandparent volunteer program.....		496,700
21	Retired and senior volunteer program.....		188,000
22	Senior companion volunteer program.....		96,600
23	Respite care program.....		4,336,000
24	CRIME VICTIM SERVICES COMMISSION		
25	Crime victim rights services grants.....	\$	<u>6,800,000</u>
26	TOTAL OF PAYMENTS TO LOCAL UNITS		
27	OF GOVERNMENT.....	\$	1,286,188,900

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

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

6 Sec. 203. As used in this act:

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

8 (b) "CMHSP" means a community mental health services program
9 as that term is defined in section 100a of the mental health code,
10 1974 PA 258, MCL 330.1100a.

11 (c) "Department" means the Michigan department of community
12 health.

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

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

15 (f) "EPSDT" means early and periodic screening, diagnosis, and
16 treatment.

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

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

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

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

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

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

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

4 (n) "IDG" means interdepartmental grant.

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

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

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

8 (r) "PASARR" means the preadmission screening and annual
9 resident review required under the omnibus budget reconciliation
10 act of 1987, section 1919(e)(7) of the social security act, 42 USC
11 1396r.

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

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

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

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

23 (w) "WIC" means women, infants, and children supplemental
24 nutrition program.

25 Sec. 204. The civil service commission shall bill the
26 department at the end of the first fiscal quarter for the 1% charge
27 authorized by section 5 of article XI of the state constitution of

1 1963. The department shall pay the total amount of the billing by
2 the end of the second fiscal quarter.

3 Sec. 205. (1) A hiring freeze is imposed on the state
4 classified civil service. State departments and agencies are
5 prohibited from hiring any new full-time state classified civil
6 service employees and prohibited from filling any vacant state
7 classified civil service positions. This hiring freeze does not
8 apply to internal transfers of classified employees from 1 position
9 to another within a department.

10 (2) The state budget director may grant exceptions to this
11 hiring freeze when the state budget director believes that the
12 hiring freeze will render a state department or agency unable to
13 deliver basic services, will cause loss of revenue to the state,
14 will result in the inability of the state to receive federal funds,
15 or will necessitate additional expenditures that exceed any savings
16 from maintaining a vacancy. The state budget director shall report
17 quarterly to the chairpersons of the senate and house of
18 representatives standing committees on appropriations the number of
19 exceptions to the hiring freeze approved during the previous
20 quarter and the reasons to justify the exception.

21 Sec. 206. (1) In addition to the funds appropriated in part 1,
22 there is appropriated an amount not to exceed \$100,000,000.00 for
23 federal contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in this act under section 393(2) of the management and budget act,
26 1984 PA 431, MCL 18.1393.

27 (2) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$20,000,000.00 for state
2 restricted contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item
4 in this act under section 393(2) of the management and budget act,
5 1984 PA 431, MCL 18.1393.

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

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

18 Sec. 208. The department shall use the Internet to fulfill the
19 reporting requirements of this act. This requirement may include
20 transmission of reports via electronic mail to the recipients
21 identified for each reporting requirement or it may include
22 placement of reports on the Internet or Intranet site.

23 Sec. 209. Funds appropriated in part 1 shall not be used for
24 the purchase of foreign goods or services, or both, if
25 competitively priced and of comparable quality American goods or
26 services, or both, are available. Preference shall be given to
27 goods or services, or both, manufactured or provided by Michigan

1 businesses, if they are competitively priced and of comparable
2 quality. In addition, preference shall be given to goods or
3 services, or both, that are manufactured or provided by Michigan
4 businesses owned and operated by veterans, if they are
5 competitively priced and of comparable quality.

6 Sec. 210. The director shall take all reasonable steps to
7 ensure businesses in deprived and depressed communities compete for
8 and perform contracts to provide services or supplies, or both. The
9 director shall strongly encourage firms with which the department
10 contracts to subcontract with certified businesses in depressed and
11 deprived communities for services, supplies, or both.

12 Sec. 211. (1) If the revenue collected by the department from
13 fees and collections exceeds the amount appropriated in part 1, the
14 revenue may be carried forward with the approval of the state
15 budget director into the subsequent fiscal year. The revenue
16 carried forward under this section shall be used as the first
17 source of funds in the subsequent fiscal year.

18 (2) The department shall provide a report to the senate and
19 house appropriations subcommittees on community health and the
20 senate and house fiscal agencies on the balance of each of the
21 restricted funds administered by the department as of September 30
22 of the current fiscal year.

23 Sec. 212. (1) From the amounts appropriated in part 1, no
24 greater than the following amounts are supported with federal
25 maternal and child health block grant, preventive health and health
26 services block grant, substance abuse block grant, healthy Michigan
27 fund, and Michigan health initiative funds:

1	(a) Maternal and child health block grant	\$ 19,953,100
2	(b) Preventive health and health services	
3	block grant	4,028,700
4	(c) Substance abuse block grant	60,627,400
5	(d) Healthy Michigan fund	41,827,600
6	(e) Michigan health initiative	9,100,000

7 (2) On or before February 1 of the current fiscal year, the
8 department shall report to the house of representatives and senate
9 appropriations subcommittees on community health, the house and
10 senate fiscal agencies, and the state budget director on the
11 detailed name and amounts of federal, restricted, private, and
12 local sources of revenue that support the appropriations in each of
13 the line items in part 1 of this act.

14 (3) Upon the release of the fiscal year 2009-2010 executive
15 budget recommendation, the department shall report to the same
16 parties in subsection (2) on the amounts and detailed sources of
17 federal, restricted, private, and local revenue proposed to support
18 the total funds appropriated in each of the line items in part 1 of
19 the fiscal year 2009-2010 executive budget proposal.

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

23 Sec. 213. The state departments, agencies, and commissions
24 receiving tobacco tax funds and healthy Michigan funds from part 1
25 shall report by April 1 of the current fiscal year to the senate
26 and house of representatives appropriations committees, the senate
27 and house fiscal agencies, and the state budget director on the

1 following:

2 (a) Detailed spending plan by appropriation line item
3 including description of programs and a summary of organizations
4 receiving these funds.

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

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

9 (d) Outcome measures used to evaluate programs, including
10 measures of the effectiveness of these programs in improving the
11 health of Michigan residents.

12 (e) Any other information considered necessary by the house of
13 representatives or senate appropriations committees or the state
14 budget director.

15 Sec. 214. The use of state-restricted tobacco tax revenue
16 received for the purpose of tobacco prevention, education, and
17 reduction efforts and deposited in the healthy Michigan fund shall
18 not be used for lobbying as defined in section 5 of 1978 PA 472,
19 MCL 4.415, and shall not be used in attempting to influence the
20 decisions of the legislature, the governor, or any state agency.

21 Sec. 215. (1) The department shall report no later than April
22 1 of the current fiscal year on each specific policy change made to
23 implement a public act affecting the department that took effect
24 during the immediately preceding calendar year to the house and
25 senate appropriations subcommittees on the budget for the
26 department, the joint committee on administrative rules, and the
27 senate and house fiscal agencies.

1 (2) Funds appropriated in part 1 shall not be used by the
2 department to adopt a rule that will apply to a small business and
3 that will have a disproportionate economic impact on small
4 businesses because of the size of those businesses if the
5 department fails to reduce the disproportionate economic impact of
6 the rule on small businesses as provided under section 40 of the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

8 (3) As used in this section:

9 (a) "Rule" means that term as defined in section 7 of the
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

11 (b) "Small business" means that term as defined in section 7a
12 of the administrative procedures act of 1969, 1969 PA 306, MCL
13 24.207a.

14 Sec. 216. (1) In addition to funds appropriated in part 1 for
15 all programs and services, there is appropriated for write-offs of
16 accounts receivable, deferrals, and for prior year obligations in
17 excess of applicable prior year appropriations, an amount equal to
18 total write-offs and prior year obligations, but not to exceed
19 amounts available in prior year revenues.

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

25 (3) The department shall report by March 15 of the current
26 fiscal year to the house of representatives and senate
27 appropriations subcommittees on community health on all

1 reimbursements, refunds, adjustments, and settlements from prior
2 years.

3 Sec. 218. The department shall include the following in its
4 annual list of proposed basic health services as required in part
5 23 of the public health code, 1978 PA 368, MCL 333.2301 to
6 333.2321:

7 (a) Immunizations.

8 (b) Communicable disease control.

9 (c) Sexually transmitted disease control.

10 (d) Tuberculosis control.

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

12 (f) Screening newborns for the conditions listed in section
13 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
14 recommended by the newborn screening quality assurance advisory
15 committee created under section 5430 of the public health code,
16 1978 PA 368, MCL 333.5430.

17 (g) Community health annex of the Michigan emergency
18 management plan.

19 (h) Prenatal care.

20 Sec. 219. (1) The department may contract with the Michigan
21 public health institute for the design and implementation of
22 projects and for other public health related activities prescribed
23 in section 2611 of the public health code, 1978 PA 368, MCL
24 333.2611. The department may develop a master agreement with the
25 institute to carry out these purposes for up to a 3-year period.
26 The department shall report to the house of representatives and
27 senate appropriations subcommittees on community health, the house

1 and senate fiscal agencies, and the state budget director on or
2 before November 1 and May 1 of the current fiscal year all of the
3 following:

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

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

8 (c) The expected project duration.

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

12 (2) On or before September 30 of the current fiscal year, the
13 department shall provide to the same parties listed in subsection
14 (1) a copy of all reports, studies, and publications produced by
15 the Michigan public health institute, its subcontractors, or the
16 department with the funds appropriated in part 1 and allocated to
17 the Michigan public health institute.

18 Sec. 220. All contracts with the Michigan public health
19 institute funded with appropriations in part 1 shall include a
20 requirement that the Michigan public health institute submit to
21 financial and performance audits by the state auditor general of
22 projects funded with state appropriations.

23 Sec. 223. The department may establish and collect fees for
24 publications, videos and related materials, conferences, and
25 workshops. Collected fees shall be used to offset expenditures to
26 pay for printing and mailing costs of the publications, videos and
27 related materials, and costs of the workshops and conferences. The

1 department shall not collect fees under this section that exceed
2 the cost of the expenditures.

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

12 Sec. 259. From the funds appropriated in part 1 for
13 information technology, the department shall pay user fees to the
14 department of information technology for technology-related
15 services and projects. Such user fees shall be subject to
16 provisions of an interagency agreement between the department and
17 the department of information technology.

18 Sec. 260. Amounts appropriated in part 1 for information
19 technology may be designated as work projects and carried forward
20 to support technology projects under the direction of the
21 department of information technology. Funds designated in this
22 manner are not available for expenditure until approved as work
23 projects under section 451a of the management and budget act, 1984
24 PA 431, MCL 18.1451a.

25 Sec. 261. Funds appropriated in part 1 for the Medicaid
26 management information system upgrade are contingent upon approval
27 of an advanced planning document from the centers for Medicare and

1 Medicaid services. If the necessary matching funds are identified
2 and legislatively transferred to this line item, the corresponding
3 federal Medicaid revenue shall be appropriated at a 90/10
4 federal/state match rate. This appropriation may be designated as a
5 work project and carried forward to support completion of this
6 project.

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

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

20 Sec. 265. The departments and agencies receiving
21 appropriations in part 1 shall receive and retain copies of all
22 reports funded from appropriations in part 1. Federal and state
23 guidelines for short-term and long-term retention of records shall
24 be followed.

25 Sec. 266. (1) Due to the current budgetary problems in this
26 state, out-of-state travel shall be limited to situations in which
27 1 or more of the following conditions apply:

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

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

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

9 (d) The travel is necessary to comply with federal
10 requirements.

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

13 (f) The travel is financed entirely by federal or nonstate
14 funds.

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

21 (3) Not later than January 1 of each year, each department
22 shall prepare a travel report listing all travel by classified and
23 unclassified employees outside this state in the immediately
24 preceding fiscal year that was funded in whole or in part with
25 funds appropriated in the department's budget. The report shall be
26 submitted to the chairs and members of the house of representatives
27 and senate standing committees on appropriations, the fiscal

1 agencies, and the state budget director. The report shall include
2 the following information:

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

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

7 (d) A brief statement of the reason for each travel
8 occurrence.

9 (e) The transportation and related costs of each travel
10 occurrence, including the proportion funded with state general
11 fund/general purpose revenues, the proportion funded with state-
12 restricted revenues, the proportion funded with federal revenues,
13 and the proportion funded with other revenues.

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

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

19 Sec. 269. The amount appropriated in part 1 for medical
20 services pharmaceutical services includes funds to cover
21 reimbursement of mental health medications under the Medicaid
22 program. Reimbursement procedures for mental health medications
23 shall be the same as those that were followed in fiscal year 2005-
24 2006, and utilization procedures for such medications shall adhere
25 to section 1625, the department's fiscal year 2006-2007 contract
26 with Medicaid health plans, and section 109h of the social welfare
27 act, 1939 PA 280, MCL 400.109h.

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

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

12 (b) The program or service for which the money was originally
13 expended.

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

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

18 Sec. 271. (1) A PIHP, Medicaid HMO, and federally qualified
19 health center may establish and implement an early mental health
20 services intervention pilot project. This project shall provide
21 care coordination, disease management, and pharmacy management to
22 eligible recipients suffering from chronic disease, including, but
23 not limited to, diabetes, asthma, substance addiction, or stroke.
24 Participating organizations may make use of data sharing, joint
25 information technology efforts, and financial incentives to health
26 providers and recipients in this project.

27 (2) The pilot project shall make use of preestablished

1 objectives and outcome measures to determine the cost effectiveness
2 of the project. Participating organizations shall collect data to
3 study and monitor the correlation between early mental health
4 treatment services to program participants and improvement in the
5 management of their chronic disease.

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

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

13 Sec. 272. (1) The department shall make efforts to implement
14 the results of the study of current policies and allocation
15 methodologies specified in section 272 of 2007 PA 123. These
16 efforts to encourage administrative efficiencies shall apply to the
17 following entities:

18 (a) Local public health departments.

19 (b) CMHSPs.

20 (c) Substance abuse coordinating agencies.

21 (d) Area agencies on aging.

22 (2) The department shall consult with at least the following
23 applicable organizations in implementing the results of the study:

24 (a) The Michigan association of community mental health
25 boards.

26 (b) The Michigan association for local public health.

27 (c) The Michigan association of substance abuse coordinating

1 agencies.

2 (d) The area agencies on aging association of Michigan.

3 (3) The department shall submit a report on its efforts to
4 implement the results of the study to the senate and house
5 appropriations subcommittees on community health, the senate and
6 house committees on health policy, the senate and house fiscal
7 agencies, and the state budget director by April 1, 2009.

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

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

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

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

26 (2) By May 15 of the current fiscal year, the department shall
27 provide a written draft of its proposed definitions, standards, and

1 instructions to the house of representatives and senate
2 appropriations subcommittees on community health, the house and
3 senate fiscal agencies, and the state budget director.

4 Sec. 283. The department shall report by March 1 of the
5 current fiscal year to the senate and house appropriations
6 subcommittees on community health and the senate and house fiscal
7 agencies regarding the hearing and vision screening program. This
8 report shall include the percentage of children referred for
9 glasses or hearing aids, or both, who actually receive them.

10 Sec. 284. The department shall not approve the travel of more
11 than 1 departmental employee to a specific professional development
12 conference or training seminar that is located outside of this
13 state. The only exception to this travel restriction involves a
14 professional development conference or training seminar that is
15 funded by a federal or private funding source and requires more
16 than 1 person from a department to attend.

17 Sec. 285. (1) From the money appropriated in part 1, the
18 department shall operate a prescription drug website to educate
19 individuals regarding prescription drugs, provide a list of
20 prescription drug prices, and provide links to other useful
21 websites including those that offer free or discounted prescription
22 drug programs. Information pertaining to the drugs and prices that
23 are posted shall be obtained from the department's Medicaid
24 pharmacy benefits manager. The department shall include all of the
25 following on the website:

26 (a) The 150 most commonly prescribed brand name drug products
27 under the Medicaid program and, if available, their generic

1 equivalents.

2 (b) The most commonly prescribed brand name drug products used
3 for the treatment of all major illnesses and diseases, if not
4 already included under subdivision (a), and, if available, their
5 generic equivalents.

6 (c) The usual and customary price of each brand name and
7 generic prescription drug listed.

8 (d) The dosage, including the number of doses and dosage
9 strength, on which the price is based.

10 (e) Names and addresses for the pharmacies associated with the
11 listed prescription drugs.

12 (f) A minimum of 5 links to other useful websites that can
13 provide assistance to consumers.

14 (g) The department's toll-free telephone number that residents
15 of this state may call to determine which prescription drug
16 programs they may be eligible for, including free and discounted
17 prescription drug programs.

18 (h) An advisory statement alerting consumers of the need to
19 tell their health professionals and pharmacists about all the
20 medications they are taking so that they know how to avoid harmful
21 interactions between medications.

22 (i) An advisory statement alerting consumers that the price
23 posted for a listed drug product is only for the strength and
24 quantity posted.

25 (j) A date stamp indicating the most recent date the usual and
26 customary price of each brand name and generic prescription drug
27 listed was updated.

1 (2) The department shall develop a mechanism by which a
2 pharmacy may report to the department an incorrect price posted on
3 the website operated under subsection (1) for a drug product sold
4 at the pharmacy and submit the correct price. On verification that
5 the report is accurate, the department shall correct the
6 information on the website.

7 (3) By September 1, 2009, the department shall prepare a
8 report on the accuracy of the prices posted on the website operated
9 under subsection (1), including information on the number of
10 notifications of incorrect prices, the number of those
11 notifications that were verified, and the number of drug product
12 prices that were corrected. The report shall be provided to the
13 governor, each member of the legislature, and the house and senate
14 fiscal agencies.

15 (4) From the money appropriated in part 1, the department
16 shall operate a toll-free telephone number that residents of this
17 state may call to determine which prescription drug programs they
18 may be eligible for, including free and discounted prescription
19 drug programs.

20 (5) As used in this section, "usual and customary price" means
21 a price comparable to what a pharmacy would charge a cash-paying
22 customer without insurance and not including discounts, special
23 promotions, or other programs initiated to reduce prices for
24 product costs available to the general public or to a special
25 population.

26 Sec. 286. The department shall make all Medicaid
27 administrative hearing decisions issued on or after October 1, 2008

1 available to the public, as required by section 11 of the freedom
2 of information act, 1976 PA 442, MCL 15.241, and 42 CFR 431.244(g),
3 by posting them on the state of Michigan Internet website, with
4 personal identifying information deleted in accordance with federal
5 law. Hearing decisions shall be posted on the website within 10
6 days of entry.

7 DEPARTMENTWIDE ADMINISTRATION

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

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

16 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL 17 PROJECTS

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

1 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

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

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

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

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

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

25 (e) A system of case management or care management to monitor
26 and ensure the provision of services consistent with the

1 individualized plan of services or supports.

2 (f) A system of continuous quality improvement.

3 (g) A system to monitor and evaluate the mental health
4 services provided.

5 (h) A system that serves at-risk and delinquent youth as
6 required under the provisions of the mental health code, 1974 PA
7 258, MCL 330.1001 to 330.2106.

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

21 (2) The department shall immediately report to the senate and
22 house of representatives appropriations subcommittees on community
23 health, the senate and house fiscal agencies, and the state budget
24 director if either of the following occurs:

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

27 (b) Any amendments to contracts with CMHSPs or PIHPs that

1 would affect rates or expenditures are enacted.

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

5 Sec. 403. (1) From the funds appropriated in part 1 for
6 multicultural services, the department shall ensure that CMHSPs or
7 PIHPs meet with multicultural service providers to develop a
8 workable framework for contracting, service delivery, and
9 reimbursement.

10 (2) Funds appropriated in part 1 for multicultural services
11 shall not be utilized for services provided to illegal immigrants
12 and people who are not residents of this state. The department
13 shall modify contracts with recipients of multicultural services
14 grants to mandate that grantees establish that recipients of
15 services are legally residing in the United States. An exception to
16 the contractual provision will be allowed to address persons
17 presenting with emergent mental health conditions.

18 (3) The department shall report to the legislature on its
19 efforts to implement the provisions in subsection (2).

20 (4) Organizations receiving funding from the multicultural
21 services line directly or from a CMHSP shall file spending plans
22 with the department by October 1, 2008. The spending plans shall
23 include specific information on services and programs provided, the
24 client base to which the services and programs will be provided,
25 and the anticipated expenditure on these services. The department
26 shall provide the spending plans to the senate and house
27 appropriations subcommittees on community health and the senate and

1 house fiscal agencies.

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

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

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

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

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

21 (d) Data describing service outcomes that includes, but is not
22 limited to, an evaluation of consumer satisfaction, consumer
23 choice, and quality of life concerns including, but not limited to,
24 housing and employment.

25 (e) Information about access to community mental health
26 services programs that includes, but is not limited to, the
27 following:

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

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

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

6 (g) An analysis of information provided by CMHSPs in response
7 to the needs assessment requirements of the mental health code,
8 1974 PA 258, MCL 330.1001 to 330.2106, including information about
9 the number of persons in the service delivery system who have
10 requested and are clinically appropriate for different services.

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

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

16 (i) The amount of the contract, organized by type of service
17 provided.

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

19 (iii) Administrative costs for services provided to CMHSPs or
20 PIHPs.

21 (j) Information on the community mental health Medicaid
22 managed care program, including, but not limited to, both of the
23 following:

24 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
25 eligibility group, including per eligible individual expenditure
26 averages.

27 (ii) Performance indicator information required to be submitted

1 to the department in the contracts with CMHSPs or PIHPs.

2 (k) An estimate of the number of direct care workers in local
3 residential settings and paraprofessional and other nonprofessional
4 direct care workers in settings where skill building, community
5 living supports and training, and personal care services are
6 provided by CMHSPs or PIHPs as of September 30, 2008 employed
7 directly or through contracts with provider organizations.

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

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

14 Sec. 405. (1) It is the intent of the legislature that the
15 employee wage pass-through funded in previous years to the
16 community mental health services programs for direct care workers
17 in local residential settings and for paraprofessional and other
18 nonprofessional direct care workers in settings where skill
19 building, community living supports and training, and personal care
20 services are provided shall continue to be paid to direct care
21 workers.

22 (2) From the money appropriated in part 1 for Medicaid mental
23 health services, a pool of funds shall be established to be
24 available to community mental health services programs, sufficient
25 to, beginning October 1, 2008, increase the wages and the
26 employer's share of federal insurance contributions act costs by 2%
27 of each direct care worker in a local residential setting and of

1 each paraprofessional and other nonprofessional direct care worker
2 in a setting where skill building, community living supports and
3 training, and personal care services are provided.

4 (3) Each CMHSP shall apply to the department to receive money
5 from the direct care worker wage pass-through funds established
6 under subsection (2), not to exceed the CMHSP's proportionate share
7 of the money allocated for this purpose. The application shall
8 specify the amount requested and the agencies and programs that
9 will receive the wage pass-through money requested.

10 (4) Each CMHSP awarded wage pass-through money from the funds
11 established under subsection (2) shall report on the actual
12 expenditures of the money in the format determined by the
13 department. Any money not used by the CMHSP for the purpose
14 specified in the wage pass-through application shall be deducted
15 from the base allocation to the CMHSP in the subsequent fiscal
16 year.

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

24 (2) The department shall reimburse all licensed substance
25 abuse programs eligible to participate in the program at a rate
26 equivalent to that paid by the department of human services to
27 adult foster care providers. Programs accredited by department-

1 approved accrediting organizations shall be reimbursed at the
2 personal care rate, while all other eligible programs shall be
3 reimbursed at the domiciliary care rate.

4 Sec. 407. (1) The amount appropriated in part 1 for substance
5 abuse prevention, education, and treatment grants shall be expended
6 for contracting with coordinating agencies. Coordinating agencies
7 shall work with the CMHSPs or PIHPs to coordinate the care and
8 services provided to individuals with both mental illness and
9 substance abuse diagnoses.

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

13 (3) The department shall develop a payment methodology that
14 increases allotments to coordinating agencies that are also
15 community mental health providers. The department shall report on
16 this payment methodology to the senate and house subcommittees on
17 community health and the senate and house fiscal agencies by April
18 1 of the current fiscal year.

19 Sec. 408. (1) By April 15 of the current fiscal year, the
20 department shall report the following data from fiscal year 2007-
21 2008 on substance abuse prevention, education, and treatment
22 programs to the senate and house of representatives appropriations
23 subcommittees on community health, the senate and house fiscal
24 agencies, and the state budget office:

25 (a) Expenditures stratified by coordinating agency, by central
26 diagnosis and referral agency, by fund source, by subcontractor, by
27 population served, and by service type. Additionally, data on

1 administrative expenditures by coordinating agency and by
2 subcontractor shall be reported.

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

5 (c) Number of services provided by central diagnosis and
6 referral agency, by subcontractor, and by service type.

7 Additionally, data on length of stay, referral source, and
8 participation in other state programs.

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

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

16 Sec. 409. The funding in part 1 for substance abuse services
17 shall be distributed in a manner that provides priority to service
18 providers that furnish child care services to clients with
19 children.

20 Sec. 410. The department shall assure that substance abuse
21 treatment is provided to applicants and recipients of public
22 assistance through the department of human services who are
23 required to obtain substance abuse treatment as a condition of
24 eligibility for public assistance.

25 Sec. 411. (1) The department shall ensure that each contract
26 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
27 programs to encourage diversion of persons with serious mental

1 illness, serious emotional disturbance, or developmental disability
2 from possible jail incarceration when appropriate.

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

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

17 Sec. 414. Medicaid substance abuse treatment services shall be
18 managed by selected PIHPs pursuant to the centers for Medicare and
19 Medicaid services' approval of Michigan's 1915(b) waiver request to
20 implement a managed care plan for specialized substance abuse
21 services. The selected PIHPs shall receive a capitated payment on a
22 per eligible per month basis to assure provision of medically
23 necessary substance abuse services to all beneficiaries who require
24 those services. The selected PIHPs shall be responsible for the
25 reimbursement of claims for specialized substance abuse services.
26 The PIHPs that are not coordinating agencies may continue to
27 contract with a coordinating agency. Any alternative arrangement

1 must be based on client service needs and have prior approval from
2 the department.

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

14 Sec. 423. (1) The department shall work cooperatively with the
15 departments of human services, corrections, education, state
16 police, and military and veterans affairs to coordinate and improve
17 the delivery of substance abuse prevention, education, and
18 treatment programs within existing appropriations.

19 (2) The department shall establish a work group composed of
20 representatives of the department, the departments of human
21 services, corrections, education, state police, and military and
22 veterans affairs, coordinating agencies, CMHSPs, and any other
23 persons considered appropriate to examine and review the source and
24 expenditure of all public and private funds made available for
25 substance abuse programs and services. The work group shall develop
26 and recommend cost-effective measures for the expenditure of funds
27 and delivery of substance abuse programs and services. The

1 department shall submit the findings of the work group to the house
2 of representatives and senate appropriations subcommittees on
3 community health, the house and senate fiscal agencies, and the
4 state budget director by May 31 of the current fiscal year.

5 Sec. 424. Each PIHP that contracts with the department to
6 provide services to the Medicaid population shall adhere to the
7 following timely claims processing and payment procedure for claims
8 submitted by health professionals and facilities:

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

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

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

21 Sec. 427. From the money appropriated in part 1 for mental
22 health/substance abuse program administration, the department shall
23 allocate \$200,000.00 for a study of the prevalence of mental
24 illness in jails. The department shall report on the results of
25 this study by June 1, 2009 to the senate and house appropriations
26 subcommittees on community health and the senate and house fiscal
27 agencies.

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. 430. (1) It is the intent of the legislature that each
9 PIHP have the option to carry forward a portion of the nonfederal
10 share of any Medicaid capitation payments provided to that PIHP in
11 the subsequent fiscal year.

12 (2) PIHPs shall inform the department of the amount of
13 unexpended Medicaid capitation payments that were made to the PIHP
14 that would be used for this purpose.

15 (3) The option to carry forward the funds under subsection (1)
16 is an alternative to currently allowed Medicaid savings and
17 reinvestment strategies and PIHPs may opt to utilize a combination
18 of these options.

19 (4) PIHPs exercising the option to carry forward a portion of
20 the nonfederal share of their Medicaid capitation payments may
21 carry forward 50% of the nonfederal share as general fund revenue.
22 All general fund revenue carried forward under this section shall
23 be used to provide mental health services under the priority
24 population sections of the mental health code, 1974 PA 258, MCL
25 330.1001 to 330.2106, and shall be expended in the year after they
26 are earned.

27 (5) PIHPs exercising the option under this section shall

1 return the federal share of the funding to be carried forward as
2 well as the remaining 50% of the nonfederal share to the state via
3 the year-end cost settlement process.

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

11 Sec. 442. (1) It is the intent of the legislature that the
12 \$40,000,000.00 in funding transferred from the community mental
13 health non-Medicaid services line to support the Medicaid adult
14 benefits waiver program be used to provide state match for
15 increases in federal funding for primary care and specialty
16 services provided to Medicaid adult benefits waiver enrollees and
17 for economic increases for the Medicaid specialty services and
18 supports program.

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

22 (3) Capitation payments to CMHSPs for persons who become
23 enrolled in the Medicaid adult benefits waiver program shall be
24 made using the same rate methodology as payments for the current
25 Medicaid beneficiaries.

26 (4) If enrollment in the Medicaid adult benefits waiver
27 program does not achieve expectations and the funding appropriated

1 for the Medicaid adult benefits waiver program for specialty
2 services is not expended, the general fund balance shall be
3 transferred back to the community mental health non-Medicaid
4 services line. The department shall report quarterly to the senate
5 and house of representatives appropriations subcommittees on
6 community health a summary of eligible expenditures for the
7 Medicaid adult benefits waiver program by CMHSPs.

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

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

23 (2) CMHSPs and PIHPs shall take all necessary steps to ensure
24 that individuals with mental illness, developmental disabilities,
25 or substance abuse issues be placed in the least restrictive
26 setting in the quickest amount of time possible if it is the
27 individual's choice.

1 Sec. 458. (1) By April 15 of the current fiscal year, the
2 department shall provide each of the following to the house of
3 representatives and senate appropriations subcommittees on
4 community health, the house and senate fiscal agencies, and the
5 state budget director:

6 (a) An updated plan for implementing each of the
7 recommendations of the Michigan mental health commission made in
8 the commission's report dated October 15, 2004.

9 (b) A report that evaluates the cost-benefit of establishing
10 secure residential facilities of fewer than 17 beds for adults with
11 serious mental illness, modeled after such programming in Oregon or
12 other states. This report shall examine the potential impact that
13 utilization of secure residential facilities would have upon the
14 state's need for adult mental health facilities.

15 (c) In conjunction with the state court administrator's
16 office, a report that evaluates the cost-benefit of establishing a
17 specialized mental health court program that diverts adults with
18 serious mental illness alleged to have committed an offense deemed
19 nonserious into treatment prior to the filing of any charges.

20 (2) The department shall establish 2 pilot programs to
21 implement secure residential facilities of fewer than 17 beds for
22 adults with serious mental illness. One of these pilots shall be
23 located in a county with a population over 1,750,000 and the other
24 pilot shall be located in a county with a population under 225,000.

25 Sec. 460. (1) The uniform definitions, standards, and
26 instructions for the classification, allocation, assignment,
27 calculation, recording, and reporting of administrative costs by

1 PIHPs, CMHSPs, and contracted organized provider systems that
2 receive payment or reimbursement from funds appropriated under
3 section 104 that were implemented in fiscal year 2006-2007 by the
4 department shall also be implemented for their subcontractors in
5 fiscal year 2008-2009.

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

12 Sec. 462. The department shall implement a funding equity plan
13 for all CMHSPs that receive funds appropriated under the community
14 mental health non-Medicaid services line. The funding plan should
15 reflect a combination of a more equitable distribution methodology
16 based on proxy measures of need and the recognition of varying
17 expenditure needs of CMHSPs. The department shall submit the
18 written equity funding plan and a report regarding implementation
19 of the equity funding plan to the senate and house subcommittees on
20 community health, the senate and house fiscal agencies, and the
21 state budget director by March 1 of the current fiscal year.

22 Sec. 463. The department shall use standard program evaluation
23 measures to assess the overall effectiveness of programs provided
24 through coordinating agencies and service providers in reducing and
25 preventing the incidence of substance abuse. The measures
26 established by the department shall be modeled after the program
27 outcome measures and best practice guidelines for the treatment of

1 substance abuse as proposed by the federal substance abuse and
2 mental health services administration.

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

9 Sec. 465. Funds appropriated in part 1 for respite services
10 shall be used for direct respite care services for children with
11 serious emotional disturbances and their families. Not more than 1%
12 of the funds allocated for respite services shall be expended by
13 CMHSPs for administration and administrative purposes.

14 Sec. 467. If funds become available, the department shall
15 increase funding paid from the community substance abuse
16 prevention, education, and treatment programs line item to the
17 substance abuse coordinating agencies to the level of funding
18 provided in fiscal year 2002-2003.

19 Sec. 468. To foster a more efficient administration of and to
20 integrate care in publicly funded mental health and substance abuse
21 services, the department shall maintain criteria for the
22 incorporation of a city, county, or regional substance abuse
23 coordinating agency into a local community mental health authority
24 that will encourage those city, county, or regional coordinating
25 agencies to incorporate as local community mental health
26 authorities. If necessary, the department may make accommodations
27 or adjustments in formula distribution to address administrative

1 costs related to the maintenance of the criteria under this section
2 and to the incorporation of the additional coordinating agencies
3 into local community mental health authorities provided that all of
4 the following are satisfied:

5 (a) The department provides funding for the administrative
6 costs incurred by coordinating agencies incorporating into
7 community mental health authorities. The department shall not
8 provide more than \$75,000.00 to any coordinating agency for
9 administrative costs.

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

13 (c) The accommodations or adjustments do not negatively affect
14 other coordinating agencies.

15 Sec. 470. (1) For those substance abuse coordinating agencies
16 that have voluntarily incorporated into community mental health
17 authorities and accepted funding from the department for
18 administrative costs incurred pursuant to section 468, the
19 department shall establish written expectations for those CMHSPs,
20 PIHPs, and substance abuse coordinating agencies and counties with
21 respect to the integration of mental health and substance abuse
22 services. At a minimum, the written expectations shall provide for
23 the integration of those services as follows:

24 (a) Coordination and consolidation of administrative functions
25 and redirection of efficiencies into service enhancements.

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

1 (c) Alignment of coordinating agencies and PIHPs boundaries to
2 maximize opportunities for collaboration and integration of
3 administrative functions and clinical activities.

4 (2) By May 1 of the current fiscal year, the department shall
5 report to the house of representatives and senate appropriations
6 subcommittees on community health, the house and senate fiscal
7 agencies, and the state budget office on the impact and
8 effectiveness of this section and the status of the integration of
9 mental health and substance abuse services.

10 Sec. 474. The department shall ensure that each contract with
11 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
12 recipient and his or her family with information regarding the
13 different types of guardianship and the alternatives to
14 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
15 reduce or restrict the ability of a recipient or his or her family
16 from seeking to obtain any form of legal guardianship without just
17 cause.

18 Sec. 480. The department shall provide to the senate and house
19 appropriations subcommittees on community health and the senate and
20 house fiscal agencies by March 30 of the current fiscal year a
21 report on the number and reimbursement cost of atypical
22 antipsychotic prescriptions by each PIHP for Medicaid
23 beneficiaries.

24 Sec. 481. (1) If the state creates a centralized PIHP risk
25 pool, the risk pool shall have a board that shall govern
26 expenditures from the pool. The board shall have representatives
27 from each PIHP.

Senate Bill No. 1094 as amended March 25, 2008

(2) The department shall not use centralized PIHP risk pool funding to offset reductions in other non-Medicaid mental health payments to CMHSPs.

<<(3) If the state creates a centralized PIHP risk pool, the department and the board established in subsection (1) shall develop a plan governing distributions from the centralized PIHP risk pool. The department shall report on any such plan to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by January 1, 2009.>>

Sec. 482. From the funds appropriated in part 1, the department shall continue funding for programs provided by Odyssey house at the levels in effect during fiscal year 2007-2008.

Sec. 483. The department, in consultation with the department of corrections, shall prepare a cost-benefit analysis on the impact of suspending rather than terminating the Medicaid status of a recipient with serious mental illness or serious emotional disturbance who becomes incarcerated or detained in a state or local correctional facility. The department shall provide a written copy of the analysis and recommendations to the governor, the state budget director, the members of the senate and house subcommittees on community health, and the senate and house fiscal agencies by April 1, 2009.

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

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases S06359'08 (S-1)

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1 that have been closed or are inactive. Revenues collected through
2 project efforts are appropriated to the department for departmental
3 costs and contractual fees associated with these retroactive
4 collections and to improve ongoing departmental reimbursement
5 management functions.

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

18 Sec. 603. The funds appropriated in part 1 for forensic mental
19 health services provided to the department of corrections are in
20 accordance with the interdepartmental plan developed in cooperation
21 with the department of corrections. The department is authorized to
22 receive and expend funds from the department of corrections in
23 addition to the appropriations in part 1 to fulfill the obligations
24 outlined in the interdepartmental agreements.

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

27 (a) The number of days of care purchased from state hospitals

1 and centers.

2 (b) The number of days of care purchased from private
3 hospitals in lieu of purchasing days of care from state hospitals
4 and centers.

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

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

9 (2) The department shall annually report the information in
10 subsection (1) to the house of representatives and senate
11 appropriations subcommittees on community health, the house and
12 senate fiscal agencies, and the state budget director.

13 Sec. 605. (1) The department shall not implement any closures
14 or consolidations of state hospitals, centers, or agencies until
15 CMHSPs or PIHPs have programs and services in place for those
16 persons currently in those facilities and a plan for service
17 provision for those persons who would have been admitted to those
18 facilities.

19 (2) All closures or consolidations are dependent upon adequate
20 department-approved CMHSP and PIHP plans that include a discharge
21 and aftercare plan for each person currently in the facility. A
22 discharge and aftercare plan shall address the person's housing
23 needs. A homeless shelter or similar temporary shelter arrangements
24 are inadequate to meet the person's housing needs.

25 (3) Four months after the certification of closure required in
26 section 19(6) of the state employees' retirement act, 1943 PA 240,
27 MCL 38.19, the department shall provide a closure plan to the house

1 of representatives and senate appropriations subcommittees on
2 community health and the state budget director.

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

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

17 Sec. 607. If Senate Bill No. 369 of the 94th Legislature is
18 enacted into law, the department shall provide all necessary
19 support to state hospitals to ensure that mandated changes in the
20 operation of state hospitals and centers are completed in a timely
21 and efficient manner.

22 Sec. 608. By May 1 of the current fiscal year, the department
23 shall evaluate the privatization of food and custodial services at
24 all of the state hospitals and centers and submit a copy of the
25 evaluation to the house and senate appropriations subcommittees on
26 community health and to the house and senate fiscal agencies. The
27 evaluation shall include a detailed cost-benefit analysis utilizing

1 accurate, reliable, and objective data that compares state costs
2 versus the contractual costs over the life of a contract. If the
3 evaluation identifies privatization savings of at least 10%, the
4 department, in consultation with the department of management and
5 budget, shall establish and implement a bid process to identify 1
6 or more private or public contractors to provide food service and
7 custodial services at each state hospital and center.

8 Sec. 609. Effective October 1, 2008, the department shall ban
9 the use of all tobacco products in and on the grounds of state
10 psychiatric facilities. As used in this section, "tobacco product"
11 means a product that contains tobacco and is intended for human
12 consumption, including, but not limited to, cigarettes,
13 noncigarette smoking tobacco, or smokeless tobacco, as those terms
14 are defined in section 2 of the tobacco products tax act, 1993 PA
15 327, MCL 205.422, and cigars.

16 **PUBLIC HEALTH ADMINISTRATION**

17 Sec. 650. The department shall communicate the annual public
18 health consumption advisory for sportfish. The department shall, at
19 a minimum, post the advisory on the Internet and make the
20 information in the advisory available to the clients of the women,
21 infants, and children special supplemental nutrition program.

22 Sec. 651. By April 30 of the current fiscal year, the
23 department shall submit a report to the house and senate fiscal
24 agencies and the state budget director on the activities and
25 efforts of the department to improve the health status of the
26 citizens of this state with regard to the goals and objectives

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1 stated in the "Healthy Michigan 2010" report, and the measurable
2 progress made toward those goals and objectives.

3 Sec. 652. The department shall cooperate with the department
4 of corrections to maintain a process by which prisoners can obtain
5 their birth certificates. By April 1, 2009, the department shall
6 report to the senate and house appropriations subcommittees on
7 community health, the senate and house fiscal agencies, and the
8 state budget director on the process developed under this section.

9 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

10 Sec. 704. The department shall continue to contract with
11 grantees supported through the appropriation in part 1 for the
12 emergency medical services grants and contracts to ensure that a
13 sufficient number of qualified emergency medical services personnel
14 exist to serve rural areas of the state. <<The department shall ensure
that emergency medical services personnel training is provided so that no
emergency medical services personnel has to travel more than 50-miles to
receive such training.>> The department shall
15 report to the senate and house appropriations subcommittees on
16 community health and the senate and house fiscal agencies regarding
17 which areas of the state are covered by these contracts.

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

22 Sec. 707. The funds appropriated in part 1 for the nursing
23 scholarship program, established in section 16315 of the public
24 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
25 the number of nurses practicing in Michigan. The board of nursing
26 is encouraged to structure scholarships funded under this act in a

1 manner that rewards recipients who intend to practice nursing in
2 Michigan. In addition, the department and the board of nursing
3 shall work cooperatively with the Michigan higher education
4 assistance authority to coordinate scholarship assistance with
5 scholarships provided pursuant to the Michigan nursing scholarship
6 act, 2002 PA 591, MCL 390.1181 to 390.1189.

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

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

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

25 Sec. 711. The department may make available to interested
26 entities customized listings of nonconfidential information in its
27 possession, such as names and addresses of licensees. The

1 department may establish and collect a reasonable charge to provide
2 this service. The revenue received from this service shall be used
3 to offset expenses to provide the service. Any balance of this
4 revenue collected and unexpended at the end of the fiscal year
5 shall revert to the appropriate restricted fund.

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

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

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

23 Sec. 715. From the funds appropriated in part 1 for primary
24 care services, \$100.00 is appropriated for the department to
25 establish a pilot program in the city of Detroit for a nonurgent
26 medical response service.

27 Sec. 716. The department shall give priority in investigations

1 of alleged wrongdoing by licensed health care professionals to
2 instances that are alleged to have occurred within 2 years of the
3 initial complaint.

4 Sec. 717. From the funds appropriated in part 1 for primary
5 care services, \$75,000.00 shall be allocated for the HealthKey
6 program for the uninsured.

7 Sec. 718. The department shall gather information from other
8 states on nursing home complaint investigations and the resolution
9 of those complaints. The information gathered from the other states
10 shall include the number of nursing homes in each state, the number
11 of nursing home complaints made to each state, the number of
12 nursing home complaints that were substantiated, and the resolution
13 of the substantiated complaints. The department shall report to the
14 senate and house appropriations subcommittees on community health
15 and the senate and house fiscal agencies on the results of this
16 study by May 1 of the current fiscal year.

17 Sec. 720. From the funds appropriated in part 1 for primary
18 care services, \$75,000.00 shall be allocated to the Helen M.
19 Nickless volunteer clinic in Bay City.

20 Sec. 721. The department shall be responsible for the costs of
21 background checks for newly hired nursing employees, which
22 background checks are required in section 20173a of the public
23 health code, 1978 PA 368, MCL 333.20173a.

24 Sec. 722. A medical professional who is newly accepted into
25 the Michigan essential health provider program in fiscal year 2008-
26 2009 is eligible for 3 years of loan repayments.

1 **INFECTIOUS DISEASE CONTROL**

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

6 Sec. 802. In developing and implementing AIDS provider
7 education activities, the department may provide funding to the
8 Michigan state medical society to serve as lead agency to convene a
9 consortium of health care providers, to design needed educational
10 efforts, to fund other statewide provider groups, and to assure
11 implementation of these efforts, in accordance with a plan approved
12 by the department.

13 Sec. 803. The department shall continue the AIDS drug
14 assistance program maintaining the prior year eligibility criteria
15 and drug formulary. This section is not intended to prohibit the
16 department from providing assistance for improved AIDS treatment
17 medications. If the appropriation in part 1 or actual revenue is
18 not sufficient to maintain the prior year eligibility criteria and
19 drug formulary, the department may revise the eligibility criteria
20 and drug formulary in a manner that is consistent with federal
21 program guidelines.

22 Sec. 804. The department, in conjunction with efforts to
23 implement the Michigan prisoner reentry initiative, shall cooperate
24 with the department of corrections to share data and information as
25 they relate to prisoners being released who are HIV positive or
26 positive for the Hepatitis C antibody. By April 1 of the current
27 fiscal year, the department shall report to the senate and house

1 appropriations subcommittees on community health, the senate and
2 house fiscal agencies, and the state budget director on the
3 progress and results of its work as permitted under federal law and
4 the potential outcomes from its work with the department of
5 corrections under this section.

6 Sec. 806. From the funds appropriated in part 1, \$100,000.00
7 shall be allocated for the purchase of childhood recommended
8 vaccines for the underinsured population ages birth through 18
9 years of age.

10 **EPIDEMIOLOGY**

11 Sec. 851. The department shall provide a report annually to
12 the house of representatives and senate appropriations
13 subcommittees on community health, the senate and house fiscal
14 agencies, and the state budget director on the expenditures and
15 activities undertaken by the lead abatement program. The report
16 shall include, but is not limited to, a funding allocation
17 schedule, expenditures by category of expenditure and by
18 subcontractor, revenues received, description of program elements,
19 and description of program accomplishments and progress.

20 Sec. 852. (1) From the funds appropriated in part 1 for the
21 methamphetamine cleanup fund, the department shall allow local
22 governments to apply for money to cover their administrative costs
23 associated with the methamphetamine cleanup efforts. The funds
24 allocated to local governments for the administrative costs
25 associated with methamphetamine cleanup efforts shall not exceed
26 \$800.00 per property.

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

LOCAL HEALTH ADMINISTRATION AND GRANTS

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

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

Sec. 904. (1) Funds appropriated in part 1 for local public health operations shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply,

1 private groundwater supply, and on-site sewage management. Food
2 protection shall be provided in consultation with the Michigan
3 department of agriculture. Public water supply, private groundwater
4 supply, and on-site sewage management shall be provided in
5 consultation with the Michigan department of environmental quality.

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

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

12 (4) By April 1 of the current fiscal year, the department
13 shall make available a report to the senate and house of
14 representatives appropriations subcommittees on community health,
15 the senate and house fiscal agencies, and the state budget director
16 on the planned allocation of the funds appropriated for local
17 public health operations.

18 Sec. 905. From the funds appropriated in part 1 for local
19 public health operations, \$5,150,000.00 shall be used to continue
20 funding hearing and vision screening services through local public
21 health departments.

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

23 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
24 information network shall be used to provide information and
25 referral services through regional networks for persons with
26 Alzheimer's disease or related disorders, their families, and

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1 health care providers.

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

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

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

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

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

15 (2) In awarding grants from the amounts appropriated in part 1
16 for violence prevention, the department shall give equal
17 consideration to public and private nonprofit applicants.

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

<<Sec. 1008. From the funds appropriated in part 1 for the diabetes
and kidney program, the department may allocate up to \$25,000.00 for a
diabetes management pilot project in Muskegon County.>>

21 Sec. 1009. From the funds appropriated in part 1 for the
22 diabetes and kidney program, a portion of the funds may be
23 allocated to the National Kidney Foundation of Michigan for kidney
24 disease prevention programming including early identification and
25 education programs and kidney disease prevention demonstration
26 projects.

27 Sec. 1010. From the funds appropriated in part 1 for chronic

1 disease prevention, up to \$200,000.00 shall be allocated for
2 osteoporosis prevention and treatment education.

3 Sec. 1019. From the funds appropriated in part 1 for chronic
4 disease prevention, \$50,000.00 may be allocated for stroke
5 prevention, education, and outreach. The objectives of the program
6 shall include education to assist persons in identifying risk
7 factors, and education to assist persons in the early
8 identification of the occurrence of a stroke in order to minimize
9 stroke damage.

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

14 Sec. 1031. (1) From the funds appropriated in part 1 for the
15 injury control intervention project, \$300,000.00 shall be used to
16 establish 2 incentive-based pilot programs for level I and level II
17 trauma hospitals to ensure greater state utilization of an
18 interactive, evidence-based treatment guideline model for traumatic
19 brain injury.

20 (2) One pilot program shall be placed in a county of less than
21 225,000. The other pilot program shall be placed in a county with a
22 population over 1,000,000.

23 Sec. 1032. From the funds appropriated in part 1 for the
24 cancer prevention and control program, \$100.00 shall be allocated
25 to the Van Andel Institute for phase II of the predictive molecular
26 therapeutics program for the late stage treatment of Medicaid
27 eligible pediatric and adult cancer patients.

1 Sec. 1033. From the funds appropriated in part 1 for the
2 cancer prevention and control program, \$100.00 shall be allocated
3 to the kids kicking cancer program.

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

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

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

21 (a) Funding allocations.

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

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

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

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

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

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

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

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

4 Sec. 1109. (1) From the amounts appropriated in part 1 for
5 dental programs, funds shall be allocated to the Michigan dental
6 association for the administration of a volunteer dental program
7 that provides dental services to the uninsured in an amount that is
8 no less than the amount allocated to that program in fiscal year
9 1996-1997.

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

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

23 Sec. 1111. The department shall allocate no less than 91% of
24 the funds appropriated in part 1 for family planning local
25 agreements and the pregnancy prevention program for the direct
26 provision of family planning/pregnancy prevention services.

27 Sec. 1112. From the funds appropriated in part 1 for prenatal

1 care outreach and service delivery support, the department shall
2 allocate at least \$1,000,000.00 to communities with high infant
3 mortality rates.

4 Sec. 1129. The department shall provide a report annually to
5 the house of representatives and senate appropriations
6 subcommittees on community health, the house and senate fiscal
7 agencies, and the state budget director on the number of children
8 with elevated blood lead levels from information available to the
9 department. The report shall provide the information by county,
10 shall include the level of blood lead reported, and shall indicate
11 the sources of the information.

12 Sec. 1132. From the funds appropriated in part 1 for special
13 projects, up to \$400,000.00 shall be allocated to the nurse family
14 partnership program.

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

18 Sec. 1135. (1) Provision of the school health education
19 curriculum, such as the Michigan model or another comprehensive
20 school health education curriculum, shall be in accordance with the
21 health education goals established by the Michigan model for
22 comprehensive school health education state steering committee. The
23 state steering committee shall be comprised of a representative
24 from each of the following offices and departments:

25 (a) The department of education.

26 (b) The department of community health.

27 (c) The health administration in the department of community

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1 health.

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

4 (e) The department of human services.

5 (f) The department of state police.

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

16 Sec. 1136. From the money appropriated in part 1 for special
17 projects, \$200,000.00 shall be allocated to the Kalamazoo nurse
18 family partnership program.

<<Sec. 1137. From the funds appropriated in part 1 for special
projects, \$100 shall be allocated to support an Alzheimer's disease
patient care training program involving a community college and a
retirement community.>>

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

20 Sec. 1151. The department may work with local participating
21 agencies to define local annual contributions for the farmer's
22 market nutrition program, project FRESH, to enable the department
23 to request federal matching funds based on local commitment of
24 funds.

25 Sec. 1153. (1) The department shall ensure that individuals
26 residing in rural communities have sufficient access to the

1 services offered through the WIC program.

2 (2) The department shall report to the senate and house
3 subcommittees on community health and the senate and house fiscal
4 agencies on the department's efforts to ensure rural access to WIC
5 services.

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

7 Sec. 1201. Funds appropriated in part 1 for medical care and
8 treatment of children with special health care needs shall be paid
9 according to reimbursement policies determined by the Michigan
10 medical services program. Exceptions to these policies may be taken
11 with the prior approval of the state budget director. The
12 department shall report to the senate and house appropriations
13 subcommittees on community health and the senate and house fiscal
14 agency the number of exceptions granted under this section.

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

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

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

20 (c) Provide genetic diagnostic and counseling services for
21 eligible families.

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

25 Sec. 1203. All children who are determined medically eligible
26 for the children's special health care services program shall be

1 referred to the appropriate locally based services program in their
2 community.

3 **OFFICE OF DRUG CONTROL POLICY**

4 Sec. 1250. The department shall provide \$1,800,000.00 in Byrne
5 formula grant program funding to the judiciary by interdepartmental
6 grant.

7 **CRIME VICTIM SERVICES COMMISSION**

8 Sec. 1302. From the funds appropriated in part 1 for justice
9 assistance grants, up to \$50,000.00 shall be allocated for
10 expansion of forensic nurse examiner programs to facilitate
11 training for improved evidence collection for the prosecution of
12 sexual assault. The funds shall be used for program coordination,
13 training, and counseling. Unexpended funds shall be carried
14 forward.

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

21 **OFFICE OF SERVICES TO THE AGING**

22 Sec. 1401. The appropriation in part 1 to the office of
23 services to the aging, for community and nutrition services and
24 home services, shall be restricted to eligible individuals at least

1 60 years of age who fail to qualify for home care services under
2 title XVIII, XIX, or XX.

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

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

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

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

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

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

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

23 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
24 trust funds to the office of services to the aging for the respite
25 care program shall be allocated in accordance with a long-term care
26 plan developed by the long-term care working group established in
27 section 1657 of 1998 PA 336 upon implementation of the plan. The

1 use of the funds shall be for direct respite care or adult respite
2 care center services. Not more than 9% of the amount allocated
3 under this section shall be expended for administration and
4 administrative purposes.

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

27 Sec. 1416. The legislature very strongly affirms its

1 commitment to provide in-home services, resources, and assistance
2 for the frail elderly who are not being served by the Medicaid
3 home- and community-based services waiver program.

4 Sec. 1417. The department shall provide to the senate and
5 house of representatives appropriations subcommittees on community
6 health, senate and house fiscal agencies, and state budget director
7 a report by March 30 of the current fiscal year that contains all
8 of the following:

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

11 (b) Detail expenditure by each area agency on aging by
12 individual program and administration including both state funded
13 resources and locally funded resources.

14 **MICHIGAN FIRST HEALTHCARE PLAN**

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

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

22 Sec. 1502. Upon approval of a waiver from the federal
23 government for the Michigan first healthcare plan, the department
24 shall provide the senate and house of representatives
25 appropriations subcommittees on community health, the senate and
26 house fiscal agencies, and the state budget director with a report

1 detailing the process that will be utilized to determine which
2 insurance entities will be selected for participation in the
3 Michigan first healthcare plan. The department shall not award a
4 single-source contract to a health plan through the Michigan first
5 healthcare plan.

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

13 MEDICAL SERVICES

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

19 Sec. 1602. Medical services shall be provided to elderly and
20 disabled persons with incomes less than or equal to 100% of the
21 official poverty level, pursuant to the state's option to elect
22 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
23 XIX, 42 USC 1396a.

24 Sec. 1603. (1) The department may establish a program for
25 persons to purchase medical coverage at a rate determined by the
26 department.

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

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

6 Sec. 1604. If an applicant for Medicaid coverage is found to
7 be eligible, the department shall provide payment for all of the
8 Medicaid covered and appropriately authorized services that have
9 been provided to that applicant since the first day of the month in
10 which the applicant filed and the department of human services
11 received the application for Medicaid coverage. Receipt of the
12 application by a local department of human services office is
13 considered the date the application is received. If an application
14 is submitted on the last day of the month and that day falls on a
15 weekend or a holiday and the application is received by the local
16 department of human services office on the first business day
17 following the end of the month, then receipt of the application is
18 considered to have been on the last day of the previous month. As
19 used in this section, "completed application" means an application
20 complete on its face and signed by the applicant regardless of
21 whether the medical documentation required to make an eligibility
22 determination is included.

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

27 (2) The department shall notify the senate and house of

1 representatives appropriations subcommittees on community health
2 and the state budget director of any proposed revisions to the
3 protected income level for Medicaid coverage related to the public
4 assistance standard 90 days prior to implementation.

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

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

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

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

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

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

16 (6) Effective October 1, 2008, the department shall mandate
17 enrollment of women, whose qualifying condition is pregnancy, into
18 Medicaid managed care plans.

19 (7) The department shall require physicians to provide women,
20 whose qualifying condition for Medicaid is pregnancy, with a
21 referral to a Medicaid participating dentist at the first
22 pregnancy-related appointment.

23 Sec. 1610. The department shall provide an administrative
24 procedure for the review of cost report grievances by medical
25 services providers with regard to reimbursement under the medical
26 services program. Settlements of properly submitted cost reports
27 shall be paid not later than 9 months from receipt of the final

1 report.

2 Sec. 1611. (1) For care provided to medical services
3 recipients with other third-party sources of payment, medical
4 services reimbursement shall not exceed, in combination with such
5 other resources, including Medicare, those amounts established for
6 medical services-only patients. The medical services payment rate
7 shall be accepted as payment in full. Other than an approved
8 medical services copayment, no portion of a provider's charge shall
9 be billed to the recipient or any person acting on behalf of the
10 recipient. Nothing in this section shall be considered to affect
11 the level of payment from a third-party source other than the
12 medical services program. The department shall require a
13 nonenrolled provider to accept medical services payments as payment
14 in full.

15 (2) Notwithstanding subsection (1), medical services
16 reimbursement for hospital services provided to dual
17 Medicare/medical services recipients with Medicare part B coverage
18 only shall equal, when combined with payments for Medicare and
19 other third-party resources, if any, those amounts established for
20 medical services-only patients, including capital payments.

21 Sec. 1620. (1) For fee-for-service recipients who do not
22 reside in nursing homes, the pharmaceutical dispensing fee shall be
23 \$3.25 or the pharmacy's usual or customary cash charge, whichever
24 is less. For nursing home residents, the pharmaceutical dispensing
25 fee shall be \$3.50 or the pharmacy's usual or customary cash
26 charge, whichever is less.

27 (2) The department shall require a prescription copayment for

1 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
2 brand-name drug, except as prohibited by federal or state law or
3 regulation.

4 (3) It is the intent of the legislature that if the department
5 realizes savings as a result of the implementation of average
6 manufacturer's price for reimbursement of multiple source generic
7 medication dispensing as imposed pursuant to the federal deficit
8 reduction act of 2005, Public Law 109-171, the savings shall be
9 returned to pharmacies in the form of an increased dispensing fee
10 for medications not to exceed \$2.00. The savings shall be
11 calculated as the difference in state expenditure between the
12 current methodology of payment, which is maximum allowable cost,
13 and the proposed new reimbursement method of average manufacturer's
14 price.

15 Sec. 1621. The department may implement prospective drug
16 utilization review and disease management systems. The prospective
17 drug utilization review, a pharmacist-approved medication therapy
18 program, and disease management systems authorized by this section
19 shall have physician oversight, shall focus on patient, physician,
20 and pharmacist education, and shall be developed in consultation
21 with the national pharmaceutical council, Michigan state medical
22 society, Michigan osteopathic association, Michigan pharmacists
23 association, Michigan health and hospital association, and Michigan
24 nurses association.

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

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

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

10 Sec. 1625. The department shall continue its practice of
11 placing all atypical antipsychotic medications on the Medicaid
12 preferred drug list.

13 Sec. 1627. (1) The department shall use procedures and rebates
14 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
15 to secure quarterly rebates from pharmaceutical manufacturers for
16 outpatient drugs dispensed to participants in the MICHild program,
17 maternal outpatient medical services program, children's special
18 health care services, and adult benefit waiver program.

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

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

26 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
27 dental services, and chiropractic services shall continue at not

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1 less than the level in effect on October 1, 2002, except that
2 reasonable utilization limitations may be adopted in order to
3 prevent excess utilization. The department shall not impose
4 utilization restrictions on chiropractic services unless a
5 recipient has exceeded 18 office visits within 1 year.

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

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

13 (2) Except as otherwise prohibited by federal or state law or
14 regulations, the department shall require Medicaid recipients to
15 pay the following copayments:

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

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

18 (c) Fifty dollars for the first day of an inpatient hospital
19 stay.

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

21 Sec. 1633. (1) From the funds appropriated in part 1 for
22 dental services, the department shall allocate \$251,700.00 to
23 expand the healthy kids dental program to Montcalm County <<and \$125,800
to expand the healthy kids dental program to the city of Roseville>>
effective
24 July 1, 2009.

25 (2) From the funds appropriated in part 1 for dental services,
26 the department shall continue to fund the healthy kids dental
27 program in Genesee County and Saginaw County.

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

6 Sec. 1635. From the funds appropriated in part 1 for physician
7 services and health plan services, the department shall continue
8 the increase in Medicaid reimbursement rates for obstetrical
9 services implemented in fiscal year 2005-2006.

10 Sec. 1636. From the funds appropriated in part 1 for physician
11 services and health plan services, the department shall continue
12 the increase in Medicaid reimbursement rates for physician well
13 child procedure codes and primary care procedure codes implemented
14 in fiscal year 2006-2007. The increased reimbursement rates in this
15 section shall not exceed the comparable Medicare payment rate for
16 the same services.

17 Sec. 1637. (1) All adult Medicaid recipients shall be offered
18 the opportunity to sign a Medicaid personal responsibility
19 agreement.

20 (2) The personal responsibility agreement shall include at
21 minimum the following provisions:

22 (a) That the recipient shall not smoke.

23 (b) That the recipient shall attend all scheduled medical
24 appointments.

25 (c) That the recipient shall exercise regularly.

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

1 (e) That the recipient shall abstain from abusing controlled
2 substances and narcotics.

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

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

15 Sec. 1647. From the funds appropriated in part 1 for medical
16 services, the department shall allocate for graduate medical
17 education not less than the level of rates and payments in effect
18 on April 1, 2005.

19 Sec. 1648. The department shall maintain an automated toll-
20 free telephone line and make available an online resource to enable
21 medical providers to obtain enrollment and benefit information of
22 Medicaid recipients. There shall be no charge to providers for the
23 use of the toll-free telephone line or online resource.

24 Sec. 1649. From the funds appropriated in part 1 for medical
25 services, the department shall continue breast and cervical cancer
26 treatment coverage for women up to 250% of the federal poverty
27 level, who are under age 65, and who are not otherwise covered by

1 insurance. This coverage shall be provided to women who have been
2 screened through the centers for disease control breast and
3 cervical cancer early detection program, and are found to have
4 breast or cervical cancer, pursuant to the breast and cervical
5 cancer prevention and treatment act of 2000, Public Law 106-354.

6 Sec. 1650. (1) The department may require medical services
7 recipients residing in counties offering managed care options to
8 choose the particular managed care plan in which they wish to be
9 enrolled. Persons not expressing a preference may be assigned to a
10 managed care provider. Assignment of any person not expressing a
11 preference shall be made to the managed care plan in the person's
12 county, which plan rated the highest on quality measures.

13 (2) Persons to be assigned a managed care provider shall be
14 informed in writing of the criteria for exceptions to capitated
15 managed care enrollment, their right to change HMOs for any reason
16 within the initial 90 days of enrollment, the toll-free telephone
17 number for problems and complaints, and information regarding
18 grievance and appeals rights.

19 (3) The criteria for medical exceptions to HMO enrollment
20 shall be based on submitted documentation that indicates a
21 recipient has a serious medical condition, and is undergoing active
22 treatment for that condition with a physician who does not
23 participate in 1 of the HMOs. If the person meets the criteria
24 established by this subsection, the department shall grant an
25 exception to mandatory enrollment at least through the current
26 prescribed course of treatment, subject to periodic review of
27 continued eligibility.

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

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

11 Sec. 1652. Any new contracts with Medicaid health plans
12 negotiated or signed, or both, during the current fiscal year shall
13 include the following provisions regarding expansion of services by
14 the Medicaid HMOs to counties not previously served by that
15 Medicaid HMO:

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

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

25 Sec. 1653. Implementation and contracting for managed care by
26 the department through HMOs shall be subject to the following
27 conditions:

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

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

7 (c) Mandatory enrollment of Medicaid beneficiaries living in
8 counties defined as rural by the federal government, which is any
9 nonurban standard metropolitan statistical area, is allowed if
10 there is only 1 HMO serving the Medicaid population, as long as
11 each Medicaid beneficiary is assured of having a choice of at least
12 2 physicians by the HMO.

13 (d) Enrollment of recipients of children's special health care
14 services in HMOs shall be voluntary during the fiscal year.
15 Children's special health care services recipients shall be
16 informed of the opportunity to enroll in HMOs. The department shall
17 report to the senate and house appropriations subcommittees on
18 community health and the senate and house fiscal agencies on ways
19 to improve children's special health care services case management.

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

26 (f) Prior to contracting with an HMO for managed care services
27 that did not have a contract with the department before October 1,

1 2002, the department shall receive assurances from the office of
2 financial and insurance regulation that the HMO meets the net worth
3 and financial solvency requirements contained in chapter 35 of the
4 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

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

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

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

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

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

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

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

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

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

23 Sec. 1658. (1) HMOs shall have contracts with hospitals within
24 a reasonable distance from their enrollees. If a hospital does not
25 contract with the HMO in its service area, that hospital shall
26 enter into a hospital access agreement as specified in the MSA
27 bulletin Hospital 01-19.

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

5 Sec. 1659. The following sections of this act are the only
6 ones that shall apply to the following Medicaid managed care
7 programs, including the comprehensive plan, MIChoice long-term care
8 plan, and the mental health, substance abuse, and developmentally
9 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
10 430, 456, 481, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657,
11 1658, 1660, 1661, 1662, 1666, 1699, 1711, 1749, 1752, 1783, 1787,
12 and 1791.

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

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

1 (3) The department shall require Medicaid HMOs to provide
2 EPSDT utilization data through the encounter data system, and
3 health employer data and information set well child health measures
4 in accordance with the National Committee for Quality Assurance
5 prescribed methodology.

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

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

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

26 (2) The department shall prohibit HMOs from requiring prior
27 authorization of their contracted providers for any EPSDT screening

1 and diagnosis service, for any MSS/ISS screening referral, or for
2 up to 3 MSS/ISS service visits.

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

14 (2) The department shall provide a copy of the analysis of the
15 Medicaid HMO annual audited health employer data and information
16 set reports and the annual external quality review report to the
17 senate and house of representatives appropriations subcommittees on
18 community health, the senate and house fiscal agencies, and the
19 state budget director, within 30 days of the department's receipt
20 of the final reports from the contractors.

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

25 (4) The department shall assure that training and technical
26 assistance are available for EPSDT and MSS/ISS for Medicaid health
27 plans, local health departments, and MSS/ISS contractors.

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

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

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

26 (3) Children whose category of eligibility changes between the
27 Medicaid and MICHild programs shall be assured of keeping their

1 current health care providers through the current prescribed course
2 of treatment for up to 1 year, subject to periodic reviews by the
3 department if the beneficiary has a serious medical condition and
4 is undergoing active treatment for that condition.

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

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

14 (a) "Dental care corporation", "health care corporation",
15 "insurer", and "prudent purchaser agreement" mean those terms as
16 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
17 550.52.

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

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

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

27 Sec. 1671. From the funds appropriated in part 1, the

1 department shall continue a comprehensive approach to the marketing
2 and outreach of the MICHild program. The marketing and outreach
3 required under this section shall be coordinated with current
4 outreach, information dissemination, and marketing efforts and
5 activities conducted by the department.

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

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

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

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

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

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

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

1 services.

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

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

5 (h) Emergency ambulance services.

6 Sec. 1680. (1) It is the intent of the legislature that
7 payment increases for enhanced wages and new or enhanced employee
8 benefits shall be provided to those nursing homes that make
9 application for it to fund the Medicaid program share of wage and
10 employee benefit increases up to the equivalent of 50 cents per
11 employee hour. Employee benefits include, but are not limited to,
12 health benefits, retirement benefits, and quality of life benefits
13 such as day care services. The department shall require nursing
14 homes to document that these wage and benefit increases were
15 actually provided.

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

19 (3) The wage pass-through shall not be used for previously
20 agreed-to wage or benefit increases as a result of collective
21 bargaining or for standard step increases.

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

25 Sec. 1681. From the funds appropriated in part 1 for home- and
26 community-based services, the department and local waiver agents
27 shall encourage the use of family members, friends, and neighbors

1 of home- and community-based services participants, where
2 appropriate, to provide homemaker services, meal preparation,
3 transportation, chore services, and other nonmedical covered
4 services to participants in the Medicaid home- and community-based
5 services program. This section shall not be construed as allowing
6 for the payment of family members, friends, or neighbors for these
7 services unless explicitly provided for in federal or state law.

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

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

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

21 (4) The department shall use civil monetary penalty funds to
22 conduct a survey evaluating consumer satisfaction and the quality
23 of care at nursing homes. Factors can include, but are not limited
24 to, the level of satisfaction of nursing home residents, their
25 families, and employees. The department may use an independent
26 contractor to conduct the survey. The department shall work in
27 consultation with the health care association of Michigan and the

1 Michigan association of homes and services for the aging in
2 conducting the survey.

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

5 Sec. 1683. The department shall promote activities that
6 preserve the dignity and rights of terminally ill and chronically
7 ill individuals. Priority shall be given to programs, such as
8 hospice, that focus on individual dignity and quality of care
9 provided persons with terminal illness and programs serving persons
10 with chronic illnesses that reduce the rate of suicide through the
11 advancement of the knowledge and use of improved, appropriate pain
12 management for these persons; and initiatives that train health
13 care practitioners and faculty in managing pain, providing
14 palliative care, and suicide prevention.

15 Sec. 1684. (1) Of the funds appropriated in part 1 for the
16 Medicaid home- and community-based services waiver program, the
17 payment rate allocated for administrative expenses for fiscal year
18 2008-2009 shall continue at the rate implemented in fiscal year
19 2005-2006 after the \$2.00 per person per day mandated reduction.

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

24 Sec. 1685. All nursing home rates, class I and class III, must
25 have their respective fiscal year rate set 30 days prior to the
26 beginning of their rate year. Rates may take into account the most
27 recent cost report prepared and certified by the preparer, provider

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

7 Sec. 1686. (1) The department shall submit a report by April
8 30 of the current fiscal year to the house of representatives and
9 senate appropriations subcommittees on community health and the
10 house and senate fiscal agencies on the progress of 4 Medicaid
11 long-term care single point of entry services pilot projects. The
12 department shall also submit a final plan to the house of
13 representatives and senate subcommittees on community health and
14 the house and senate fiscal agencies 60 days prior to any expansion
15 of the program.

16 (2) In addition to the report required under subsection (1),
17 the department shall report all of the following to the house of
18 representatives and senate appropriations subcommittees on
19 community health and the house of representatives and senate fiscal
20 agencies by September 30 of the current fiscal year:

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

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

23 (c) The total amount of Medicaid dollars saved because of the
24 program.

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

1 (e) The total number of single point of entry cases involving
2 transfer from hospital settings to long-term care settings and the
3 average length of time for placement of those cases in long-term
4 care settings.

5 (3) It is the intent of the legislature that funding for the
6 single point of entry for long-term care ends on September 30,
7 2009.

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

12 Sec. 1687. (1) From the funds appropriated in part 1 for long-
13 term care services, the department shall contract with a stand-
14 alone psychiatric facility that provides at least 20% of its total
15 care to Medicaid recipients to provide access to Medicaid
16 recipients who require specialized Alzheimer's disease or dementia
17 care.

18 (2) The department shall report to the senate and house
19 appropriations subcommittees on community health and the senate and
20 house fiscal agencies on the effectiveness of the contract required
21 under subsection (1) to improve the quality of services to Medicaid
22 recipients.

23 Sec. 1688. The department shall not impose a limit on per unit
24 reimbursements to service providers that provide personal care or
25 other services under the Medicaid home- and community-based
26 services waiver program for the elderly and disabled. The
27 department's per day per client reimbursement cap calculated in the

1 aggregate for all services provided under the Medicaid home- and
2 community-based services waiver is not a violation of this section.

3 Sec. 1689. (1) Priority in enrolling additional persons in the
4 Medicaid home- and community-based services waiver program shall be
5 given to those who are currently residing in nursing homes or who
6 are eligible to be admitted to a nursing home if they are not
7 provided home- and community-based services. The department shall
8 use screening and assessment procedures to assure that no
9 additional Medicaid eligible persons are admitted to nursing homes
10 who would be more appropriately served by the Medicaid home- and
11 community-based services waiver program.

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

27 (3) The department shall develop a system to collect and

1 analyze information regarding individuals on the home- and
2 community-based services waiver waiting list to identify the
3 community supports they receive, including, but not limited to,
4 adult home help, food stamps, and housing assistance services and
5 to determine the extent to which these community supports help
6 individuals remain in their home and avoid entry into a nursing
7 home. The department shall provide a progress report on
8 implementation to the senate and house appropriations subcommittees
9 on community health and the senate and house fiscal agencies by
10 June 1 of the current fiscal year.

11 Sec. 1691. The funding increase provided in fiscal year 2006-
12 2007 for the adult home help program shall be passed through to
13 adult home help workers subject to the following conditions:

14 (a) Adult home help workers providing care under the adult
15 home help program shall receive a wage of at least \$7.50 per hour
16 in all counties, effective April 1, 2008.

17 (b) The department, in conjunction with the department of
18 human services, shall revise any policies, rules, procedures, or
19 regulations that may be an administrative barrier to the
20 implementation of the wage adjustments described in this section.

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

1 is authorized to receive and disburse funds to participating school
2 districts pursuant to such agreements and state and federal law.

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

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

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

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

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

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

23 Sec. 1695. (1) The department shall evaluate the impact of
24 implementing a case mix reimbursement system for nursing
25 facilities. The department shall consult with representatives from
26 the department, the health care association of Michigan, the
27 Michigan county medical care facilities council, and the Michigan

1 association of homes and services for the aging.

2 (2) The department shall provide a progress report to the
3 senate and house appropriations subcommittees on community health
4 and to the senate and house fiscal agencies by August 1 of the
5 current fiscal year.

6 Sec. 1697. (1) As may be allowed by federal law or regulation,
7 the department may use funds provided by a local or intermediate
8 school district, which have been obtained from a qualifying health
9 system, as the state match required for receiving federal Medicaid
10 or children health insurance program funds. Any such funds received
11 shall be used only to support new school-based or school-linked
12 health services.

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

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

25 Sec. 1710. Any proposed changes by the department to the
26 MIChoice home- and community-based services waiver program
27 screening process shall be provided to the members of the house and

1 senate appropriations subcommittees on community health 30 days
2 prior to implementation of the proposed changes.

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

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

9 (b) Total expenditures for these services shall not exceed the
10 level of total payments made during fiscal year 2001-2002, after
11 adjusting for Medicare copayments and deductibles and for changes
12 in utilization.

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

25 Sec. 1712. (1) Subject to the availability of funds, the
26 department shall implement a rural health initiative. Available
27 funds shall first be allocated as an outpatient adjustor payment to

1 be paid directly to hospitals in rural counties in proportion to
2 each hospital's Medicaid and indigent patient population.
3 Additional funds, if available, shall be allocated for
4 defibrillator grants, EMT training and support, or other similar
5 programs.

6 (2) Except as otherwise specified in this section, "rural"
7 means a county, city, village, or township with a population of not
8 more than 30,000, including those entities if located within a
9 metropolitan statistical area.

10 Sec. 1713. (1) The department, in conjunction with the
11 Michigan dental association, shall undertake a study to determine
12 the level of participation by Michigan licensed dentists in the
13 state's Medicaid program. The study shall identify the distribution
14 of dentists throughout the state, the volume of Medicaid recipients
15 served by each participating dentist, and areas in the state
16 underserved for dental services.

17 (2) The study described in subsection (1) shall also include
18 an assessment of what factors may be related to the apparent low
19 participation by dentists in the Medicaid program, and the study
20 shall make recommendations as to how these barriers to
21 participation may be reduced or eliminated.

22 (3) The department shall provide the results of this study to
23 the senate and house appropriations subcommittees on community
24 health and the senate and house fiscal agencies no later than April
25 1 of the current fiscal year.

26 Sec. 1716. The department shall seek to maintain a constant
27 enrollment level within the Medicaid adult benefits waiver program

1 throughout fiscal year 2008-2009.

2 Sec. 1717. (1) The department shall create 2 pools for
3 distribution of disproportionate share hospital funding. The first
4 pool, totaling \$45,000,000.00, shall be distributed using the
5 distribution methodology used in fiscal year 2003-2004. The second
6 pool, totaling \$5,000,000.00, shall be distributed to nonpublic
7 unaffiliated hospitals and hospital systems that received less than
8 \$900,000.00 in disproportionate share hospital payments in fiscal
9 year 2007-2008 based on a formula that is weighted proportional to
10 the product of each eligible system's Medicaid revenue and each
11 eligible system's Medicaid utilization, except that no payment of
12 less than \$1,000.00 shall be made.

13 (2) By September 30 of the current fiscal year, the department
14 shall report to the senate and house appropriations subcommittees
15 on community health and the senate and house fiscal agencies on the
16 new distribution of funding to each eligible hospital from the 2
17 pools.

18 Sec. 1718. The department shall provide each Medicaid adult
19 home help beneficiary or applicant with the right to a fair hearing
20 when the department or its agent reduces, suspends, terminates, or
21 denies adult home help services. If the department takes action to
22 reduce, suspend, terminate, or deny adult home help services, it
23 shall provide the beneficiary or applicant with a written notice
24 that states what action the department proposes to take, the
25 reasons for the intended action, the specific regulations that
26 support the action, and an explanation of the beneficiary's or
27 applicant's right to an evidentiary hearing and the circumstances

1 under which those services will be continued if a hearing is
2 requested.

3 Sec. 1720. The department shall continue its Medicare recovery
4 program.

5 Sec. 1721. The department shall conduct a review of Medicaid
6 eligibility pertaining to funds prepaid to a nursing home or other
7 health care facility that are subsequently returned to an
8 individual who becomes Medicaid eligible and shall report its
9 findings to the members of the house and senate appropriations
10 subcommittees on community health and the house and senate fiscal
11 agencies not later than May 15 of the current fiscal year. Included
12 in its report shall be recommendations for policy and procedure
13 changes regarding whether any funds prepaid to a nursing home or
14 other health care facility that are subsequently returned to an
15 individual, after the date of Medicaid eligibility and patient pay
16 amount determination, shall be considered as a countable asset and
17 recommendations for a mechanism for departmental monitoring of
18 those funds.

19 Sec. 1722. (1) From the funds appropriated in part 1 for
20 special Medicaid reimbursement payments, the department is
21 authorized to make a disproportionate share payment of
22 \$33,167,700.00 for health services provided by Hutzell Hospital.

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

26 Sec. 1724. The department shall allow licensed pharmacies to
27 purchase injectable drugs for the treatment of respiratory

1 syncytial virus for shipment to physicians' offices to be
2 administered to specific patients. If the affected patients are
3 Medicaid eligible, the department shall reimburse pharmacies for
4 the dispensing of the injectable drugs and reimburse physicians for
5 the administration of the injectable drugs.

6 Sec. 1725. The department shall continue to work with the
7 department of human services and the department of state police to
8 reduce Medicaid eligibility errors related to basic eligibility
9 requirements, residency issues, felony status issues, and income
10 requirements.

11 Sec. 1728. (1) The department shall make available to
12 qualifying Medicaid recipients, not based on Medicare guidelines,
13 freestanding electrical lifting and transferring devices.

14 (2) Any violation of this section shall result in a \$625.00
15 reduction to the departmental administration and management line
16 item.

17 Sec. 1731. (1) Subject to subsection (2), the department shall
18 continue an asset test to determine Medicaid eligibility for
19 individuals who are parents, caretaker relatives, or individuals
20 between the ages of 18 and 21 and who are not required to be
21 covered under federal Medicaid requirements.

22 (2) Pending federal approval, regardless of the results of the
23 asset test established under subsection (1), an individual who is
24 between the ages of 18 and 21 and is not required to be covered
25 under the federal Medicaid requirements is not eligible for the
26 state Medicaid program if his or her parent, parents, or legal
27 guardian has health care coverage for him or her or has access to

1 health care coverage for him or her.

2 Sec. 1732. The department shall assure that, if proposed
3 modifications to the quality assurance assessment program for
4 nursing homes are not implemented, the projected general
5 fund/general purpose savings shall not be achieved through
6 reductions in nursing home reimbursement rates.

7 Sec. 1733. (1) The department shall seek additional federal
8 funds to permit the state to provide financial support for
9 electronic prescribing and other health information technology
10 initiatives.

11 (2) The department shall implement electronic prescribing for
12 the Medicaid program by September 30, 2009.

13 Sec. 1734. The department shall seek federal money for a
14 demonstration program that will permit this state to provide
15 financial incentives for positive health behavior practiced by
16 Medicaid recipients. The structure of this incentive program shall
17 incorporate consumer-driven strategies that enable Medicaid
18 recipients to choose coverage that meets their individual needs and
19 that authorize monetary rewards for demonstrating positive health
20 behavior changes and other money to be deposited into an account to
21 pay for out-of-pocket medical expenses.

22 Sec. 1735. (1) Pursuant to section 105b of the social welfare
23 act, 1939 PA 230, MCL 400.105b, the department shall establish a
24 preferred product and service formulary program for durable medical
25 equipment.

26 (2) To assure quality and access, the preferred product and
27 service formulary program for durable medical equipment shall

1 involve providers who can offer a broad statewide network of
2 services and who are accredited by the joint commission on
3 accreditation of health care organizations or the accreditation
4 commission for health care, inc.

5 (3) A preferred product and service formulary program for
6 durable medical equipment shall incorporate policies pertaining to
7 wheelchairs that ensure a selection of manual and power-operated
8 wheelchairs, that reimburse providers at a level that ensures
9 recipient access to wheelchairs that meet their needs, that
10 reimburse providers for cost-effective maintenance and repair that
11 prolongs the lives of the wheelchairs, and that allow for the
12 appropriate customization of the wheelchairs.

13 (4) In establishing a preferred product and service formulary
14 program for durable medical equipment, the department shall
15 minimally consult with representatives from each of the contracted
16 Medicaid HMOs, the Michigan state medical society, the Michigan
17 osteopathic association, the Michigan home health association, the
18 Michigan health and hospital association, and 2 accredited
19 providers.

20 (5) By December 1, 2008, the department shall report to the
21 senate and house of representatives subcommittees on community
22 health, the senate and house fiscal agencies, and the state budget
23 director on the status of the preferred product and service
24 formulary program for durable medical equipment including possible
25 durable medical equipment contracting opportunities and anticipated
26 Medicaid program savings.

27 (6) The department shall provide a copy of any proposed

1 Medicaid policy changes for durable medical equipment to the house
2 of representatives and senate subcommittees on community health,
3 the senate and house fiscal agencies, and the state budget director
4 at least 30 days before the changes are implemented.

5 Sec. 1739. The department shall continue to establish medical
6 outcome targets for the 10 most prevalent and costly ailments
7 affecting Medicaid recipients. The department may use indicators
8 that recipients are successfully managing chronic disease, measures
9 of recipient compliance with treatment plans, and studies of the
10 proportion of Medicaid providers who follow established best
11 practices in treating chronic disease as possible medical outcome
12 target measures. The department shall make bonus payments,
13 independent of HMO rate adjustments utilized in fiscal year 2005-
14 2006, available to Medicaid HMOs that meet these outcome targets.

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

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

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

1 (a) The hospital participates in the intergovernmental
2 transfers.

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

4 (c) The hospital provides surgical services.

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

6 Sec. 1747. In order to be reimbursed for adult home help
7 services provided to Medicaid recipients, the matching of adult
8 home help providers with service recipients shall be coordinated by
9 the local county department of human services.

10 Sec. 1749. Effective September 30, 2008, the department shall
11 require all Medicaid health plans to use the same standard billing
12 formats.

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

17 Sec. 1753. The department shall collect from auto insurers in
18 this state on a monthly basis information necessary to enable the
19 department to determine whether an individual who is receiving
20 payments of medical expenses from the auto insurer is also a
21 Medicaid recipient. For each individual that the department
22 identifies under this section, the department shall submit a claim
23 for payment to the auto insurer if a Medicaid payment has been made
24 on behalf of the Medicaid recipient. The department shall consult
25 with auto insurers in this state to establish a system by which
26 information and claims shall be processed.

27 Sec. 1756. The department shall establish and implement a

1 specialized case and care management program to serve the most
2 costly Medicaid beneficiaries who are not enrolled in a health plan
3 and are noncompliant with medical management, including persons
4 with chronic diseases and mental health diagnoses, high
5 prescription drug utilizers, members demonstrating noncompliance
6 with previous medical management, and neonates. The case and care
7 management program shall, at a minimum, provide a performance
8 payment incentive for physicians who manage the recipient's care
9 and health costs in the most effective way. The department may also
10 develop additional contractual arrangements with 1 or more Medicaid
11 HMOs for the provision of specialized case management services.
12 Contracts with Medicaid HMOs may include provisions requiring
13 collection of data related to Medicaid recipient compliance.
14 Measures of patient compliance may include the proportion of
15 clients who fill their prescriptions, the rate of clients who do
16 not show for scheduled medical appointments, and the proportion of
17 clients who use their medication.

18 Sec. 1757. The department shall direct the department of human
19 services to obtain proof from all Medicaid recipients that they are
20 legal United States citizens or otherwise legally residing in this
21 country and that they are residents of this state before approving
22 Medicaid eligibility.

23 Sec. 1758. The department shall submit a report on the number
24 of individuals who receive the emergency services only Medicaid
25 benefit and the annual amount of Medicaid expenditures for this
26 population to the house of representatives and senate
27 appropriations subcommittees on community health and the house and

1 senate fiscal agencies by April 1 of the current fiscal year.

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

5 (a) Lengthening the look back policy for asset transfers from
6 3 to 5 years.

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

9 (c) Individuals with more than \$500,000.00 in home equity do
10 not qualify for Medicaid.

11 (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL
12 400.601 to 400.613, to collect an enhanced state share of damages
13 collected from entities that have been successfully prosecuted for
14 filing a fraudulent Medicaid claim.

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

20 (a) Is located in a rural county as determined by the most
21 recent United States census or is located in a city or a village or
22 township with a population of not more than 12,000 in a county with
23 a population with not more than 70,000 as of the official federal
24 2000 decennial census.

25 (b) Is a Medicare sole community hospital.

26 (c) Is a Medicare dependent hospital and rural referral center
27 hospital.

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

5 Sec. 1763. From the funds appropriated in part 1 for health
6 plan services, Medicaid health plans in southeast Michigan shall
7 participate in a risk adverse, budget-neutral 10-month production
8 pilot with a Michigan-based service provider when an interoperable
9 hub that provides secure aggregation and access to medication
10 history data through the use of an existing, outsourced health
11 information exchange infrastructure has been developed. The
12 infrastructure will provide cross domain single sign-on allowing
13 for realtime, data aggregation across disparate organizations and
14 systems. The pilot project shall include a methodology to identify
15 and measure savings generated by the pilot project. Medicaid health
16 plan payments for the project shall not exceed the savings
17 achieved.

18 Sec. 1764. The department shall annually certify rates paid to
19 Medicaid health plans as being actuarially sound in accordance with
20 federal requirements and shall provide a copy of the rate
21 certification and approval immediately to the house of
22 representatives and senate appropriations subcommittees on
23 community health and the house and senate fiscal agencies.

24 Sec. 1767. The department shall study and evaluate the impact
25 of the change in the way in which the Medicaid program pays
26 pharmacists for prescriptions from average wholesale price to
27 average manufacturer price as required by the federal deficit

1 reduction act of 2005, Public Law 109-171. By March 1 of the
2 current fiscal year, the department shall submit a report of its
3 study to the senate and house of representatives appropriations
4 subcommittees on community health and the senate and house fiscal
5 agencies. If the department finds that there is a negative impact
6 on the pharmacists, the department shall reexamine the current
7 pharmaceutical dispensing fee structure established under section
8 1620 and include in the report recommendations and proposals to
9 counter the negative impact of that federal legislation.

10 Sec. 1770. In conjunction with the consultation requirements
11 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
12 except as otherwise provided in this section, the department shall
13 attempt to make the effective date for a proposed Medicaid policy
14 bulletin or adjustment to the Medicaid provider manual on October
15 1, January 1, April 1, or July 1 after the end of the consultation
16 period. The department may provide an effective date for a proposed
17 Medicaid policy bulletin or adjustment to the Medicaid provider
18 manual other than provided for in this section if necessary to be
19 in compliance with federal or state law, regulations, or rules or
20 with an executive order of the governor.

21 Sec. 1772. From the funds appropriated in part 1, the
22 department shall continue a program, the primary goal of which is
23 to enroll all children in foster care in Michigan in a Medicaid
24 health maintenance organization.

25 Sec. 1773. (1) The department shall establish and implement a
26 bid process to identify a single private contractor to provide
27 Medicaid covered nonemergency transportation services in each

1 county with a population over 750,000 individuals.

2 (2) The department shall reimburse mileage for nonemergency
3 transportation that encourages contractors to participate.

4 Sec. 1774. The department shall provide the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies by March 1 of the current fiscal year a
7 report that details all of the following:

8 (a) Expenditure of money follows the person funds to date.

9 (b) Estimated general fund savings generated through use of
10 money follows the person.

11 (c) Total number of individuals receiving services through the
12 money follows the person grant.

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

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

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

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

22 (2) The department shall report the results of this study to
23 the senate and house appropriations subcommittees on community
24 health and the senate and house fiscal agencies by June 1 of the
25 current fiscal year.

26 (3) The department shall implement 2 long-term care managed
27 care pilot programs, 1 in a county with a population over 750,000

1 and the other in a county with a population under 250,000.

2 Sec. 1776. If the department continues to utilize the Medicare
3 outpatient prospective payment system methodology to reimburse
4 hospitals for Medicaid clients seen in the outpatient setting
5 including the emergency room, then the Medicaid reduction factor
6 utilized by the department to compute the amount of payment made by
7 Medicaid health plans to hospitals must be revenue neutral and
8 actuarially sound.

9 Sec. 1777. From the funds appropriated in part 1 for long-term
10 care services, the department shall permit, in accordance with
11 applicable federal and state law, nursing homes to use dining
12 assistants to feed eligible residents if legislation to permit the
13 use of dining assistants is enacted into law. The department shall
14 not be responsible for costs associated with training dining
15 assistants.

16 Sec. 1778. The department, in cooperation with the Michigan
17 health and hospital association, shall implement a disproportionate
18 share hospital payment that allocates a total of \$50,000,000.00 to
19 small and rural hospitals and a total of \$10,000,000.00 to hospital
20 facilities with neonatal intensive care units and pediatric
21 intensive care units. The department shall share the payment
22 methodology with the state budget director, members of the house
23 and senate appropriations subcommittees on community health, and
24 the house and senate fiscal agencies 30 days prior to submission of
25 the plan to the federal government.

26 Sec. 1780. If congressional action results in an increase in
27 Michigan's federal medical assistance percentage in fiscal year

1 2008-2009, it is the intent of the legislature that a portion of
2 this new funding be used to augment physician primary care codes
3 fee screens and hospital neonatal and pediatric intensive care unit
4 payments.

5 Sec. 1781. The department may conduct a pilot project to
6 demonstrate improvements in the efficiency and effectiveness of the
7 plan first program, long-term care programs, and other programs as
8 identified by the department. In conducting the pilot project, the
9 department shall consult with other affected programs and agencies.
10 In conducting the pilot, the department or its designee shall have
11 direct access to the department of human services eligibility,
12 budget, and registration systems for purposes of initial
13 processing, including taking applications, assisting applicants in
14 completing the application, providing information and referrals,
15 obtaining required documentation to complete processing of the
16 application, and assuring the information contained on the
17 application form is complete. To the extent practical and
18 desirable, trusted third-party data sources may be accessed to
19 verify income and asset information during the financial
20 eligibility determination process. The department shall issue a
21 report to the legislature summarizing the results of the pilot
22 project and recommendations for the future.

23 Sec. 1782. The department shall request a waiver from the
24 federal government allowing coverage for dental root planing and
25 scaling in a limited number of counties in the state.

26 Sec. 1783. Effective October 1, 2008, the department shall
27 permit the enrollment of individuals dually eligible for Medicare

1 and Medicaid into Medicaid health plans if those health plans also
2 maintain a Medicare advantage special needs plan certified by the
3 centers for Medicare and Medicaid services.

4 Sec. 1785. (1) The department shall convene a workgroup to
5 develop and maintain a list of emergency department diagnosis codes
6 to be used to determine payment to hospital facilities for
7 emergency department services provided to Medicaid recipients at a
8 defined triage or stabilization rate.

9 (2) The reimbursement rate for triage or stabilization shall
10 be equal to the triage rate already in place prior to the
11 implementation of the outpatient prospective payment system.

12 (3) The workgroup shall include representatives from the
13 department, the Medicaid health plans, and Michigan hospitals that
14 participate in the Medicaid program.

15 (4) The department shall implement this payment mechanism for
16 emergency department services in the outpatient prospective payment
17 system by January 1, 2009.

18 Sec. 1786. (1) For services where the actual length of stay is
19 less than the published low-day threshold, reimbursement for
20 inpatient admissions shall be the actual charge multiplied by the
21 individual hospital's cost to charge ratio net of indirect medical
22 education, not to exceed the full diagnosis related group payment
23 rate.

24 (2) The department shall define a low-day threshold of 1 as an
25 inpatient stay of less than 24 hours.

26 Sec. 1787. The department shall work with the department of
27 human services to obtain the telephone number of Medicaid

1 beneficiaries and shall provide each Medicaid health plan with the
2 telephone number of that health plan's enrollees on a monthly
3 basis.

4 Sec. 1788. (1) From the funds appropriated in part 1 for adult
5 home help services, \$2,517,000.00 is allocated to establish a home
6 help health care trust.

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

10 Sec. 1789. The department shall study whether the current
11 nursing home occupancy ceiling is adequate and shall recommend
12 whether to retain the ceiling at 85% or to lower it. The department
13 shall report its findings and recommendations to the state budget
14 director, senate and house appropriations subcommittees on
15 community health, and senate and house fiscal agencies by April 1,
16 2009.

17 Sec. 1790. The department shall work in cooperation with the
18 Michigan health and hospital association on a study of the
19 potential of creating a single hospital DSH pool. The department
20 shall report to the legislature on the results of these efforts by
21 April 1, 2009.

22 Sec. 1791. (1) From the money appropriated in part 1 for
23 physician services and health plan services, \$17,618,900.00, of
24 which \$7,000,000.00 is general fund/general purpose money, shall be
25 allocated to increase Medicaid reimbursement rates for primary care
26 and well child visit procedure codes. The increased reimbursement
27 rates in this section shall be implemented October 1, 2008 and

1 shall not exceed the comparable Medicare payment rate for the same
2 services.

3 (2) The money allocated under subsection (1) shall be
4 distributed as a fee for service rate increase for primary care
5 procedure codes and as an adjustment paid exclusively to Medicaid
6 managed care organizations for well child visit procedure codes.

7 (3) By October 1, 2008, the department shall provide a report
8 to the house and senate appropriations subcommittees on community
9 health and the house and senate fiscal agencies that identifies the
10 specific procedure codes affected by this section and the amount
11 and percentage increase provided for each procedure code.

12 Sec. 1792. The department shall meet with the Michigan state
13 medical society and the Michigan osteopathic association to discuss
14 the possible structure of a physician quality assurance assessment
15 program.

16 Sec. 1793. The department shall consider the development of a
17 pilot project that focuses on the prevention of preventable
18 hospitalizations from nursing homes.

19 Sec. 1794. From the funds appropriated in part 1 for hospital
20 services and therapy, \$100.00 shall be allocated for a program to
21 provide a per-person per-day reimbursement for a hospital located
22 in a city with a population over 500,000.

23 Sec. 1796. The department shall direct the health information
24 technology commission to examine strategies that promote the
25 ability to share medical records. The department shall report the
26 commission's findings by July 1, 2009.

27 Sec. 1797. The department shall create a pilot program to

1 provide intensive case management for fee-for-service clients with
2 high mental health costs.

3 Sec. 1800. The department shall develop appropriate protocol
4 to ensure that no interchange of an immunosuppressant drug or
5 formulation of an immunosuppressant drug, brand or generic, for the
6 treatment of a Medicaid patient following a transplant occurs
7 without prior notification and consent to the interchange from both
8 the prescribing practitioner and the Medicaid patient.

9 Sec. 1801. The department shall use money allocated for health
10 information technology projects to support 2 pilot electronic
11 medical records projects in an urban setting and a rural setting.
12 These projects shall be done in cooperation with the Michigan state
13 medical society and the Michigan osteopathic association for the
14 purpose of expanding the use of electronic medical records. These
15 pilot projects shall include standards including, but not limited
16 to, the ability to store data with various providers, transfer of
17 patient data in compatible format, storage of data in a discrete,
18 numerically codified way, basing data on a standard point-of-care
19 vocabulary, and storage of data in a hierarchically organized
20 manner.

21 Sec. 1802. The department shall spend up to \$100,000.00 on a
22 pilot program targeting Medicaid recipients with certain high-cost
23 or complex health conditions. This pilot shall provide financial
24 incentives to primary care physicians to handle disease management
25 responsibilities for these Medicaid recipients.

26 Sec. 1803. From the funds appropriated in part 1 for the
27 medical services administration, the department shall allocate

1 \$100,000.00 for an independent review of the report on the single
2 point of entry pilot projects required under section 109i(13) of
3 the social welfare act, 1939 PA 280, MCL 400.109i.

4 Sec. 1804. The department, in cooperation with the department
5 of human services, shall work with the federal government's public
6 assistance reporting information system to identify Medicaid
7 recipients who are veterans who may be eligible for federal
8 veterans health care benefits or other benefits.