

## FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 1152, entitled

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, 2011; 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.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Second: That the Senate and House agree to the title of the bill to read as follows:

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, 2011; 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.

---

Roger Kahn

---

Gary McDowell

---

John Pappageorge

---

George Cushingberry, Jr.

---

Deborah Cherry

---

Kevin Green

Conferees for the Senate

Conferees for the House

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1152**

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, 2011; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1  
2  
3  
4

PART 1

LINE-ITEM APPROPRIATIONS

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

1 community health for the fiscal year ending September 30, 2011,  
2 from the funds indicated in this part. The following is a summary  
3 of the appropriations in this part:

4 **DEPARTMENT OF COMMUNITY HEALTH**

5 APPROPRIATION SUMMARY

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	4,393.8	
8	Average population .....	893.0	
9	GROSS APPROPRIATION.....		\$ 14,124,179,800
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers .....		54,020,800
13	ADJUSTED GROSS APPROPRIATION.....		\$ 14,070,159,000
14	Federal revenues:		
15	Total other federal revenues.....		8,823,755,700
16	Total federal revenues (ARRA) .....		650,327,000
17	Special revenue funds:		
18	Total local revenues.....		235,104,200
19	Total private revenues.....		88,103,600
20	Merit award trust fund.....		86,457,600
21	Total other state restricted revenues.....		1,764,889,500
22	State general fund/general purpose.....		\$ 2,421,521,400
23	<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>		
24	Full-time equated unclassified positions.....	6.0	
25	Full-time equated classified positions.....	175.2	
26	Director and other unclassified--6.0 FTE positions ...		\$ 583,900
27	Departmental administration and management--165.2		

1	FTE positions .....	22,421,800
2	Departmentwide health projects (ARRA) .....	5,000,000
3	Worker's compensation program.....	8,855,200
4	Rent and building occupancy.....	10,862,500
5	Developmental disabilities council and	
6	projects--10.0 FTE positions .....	<u>2,825,400</u>
7	GROSS APPROPRIATION.....	\$ 50,548,800
8	Appropriated from:	
9	Federal revenues:	
10	Total other federal revenues.....	13,747,000
11	Federal revenues (ARRA) .....	5,000,000
12	Special revenue funds:	
13	Total private revenues.....	35,900
14	Total other state restricted revenues.....	2,507,400
15	State general fund/general purpose.....	\$ 29,258,500
16	<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES</b>	
17	<b>ADMINISTRATION AND SPECIAL PROJECTS</b>	
18	Full-time equated classified positions..... 107.5	
19	Mental health/substance abuse program	
20	administration--106.5 FTE positions.....	\$ 13,669,800
21	Gambling addiction--1.0 FTE position.....	3,000,000
22	Protection and advocacy services support.....	194,400
23	Community residential and support services.....	1,893,500
24	Highway safety projects.....	400,000
25	Federal and other special projects.....	2,497,200
26	Family support subsidy.....	19,470,500
27	Housing and support services.....	<u>9,306,800</u>

1	GROSS APPROPRIATION.....	\$	50,432,200
2	Federal revenues:		
3	Total federal revenues.....		35,287,800
4	Special revenue funds:		
5	Total private revenues.....		190,000
6	Total other state restricted revenues.....		3,000,000
7	State general fund/general purpose.....	\$	11,954,400
8	<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE</b>		
9	<b>SERVICES PROGRAMS</b>		
10	Full-time equated classified positions..... 9.5		
11	Medicaid mental health services.....	\$	2,019,515,600
12	Community mental health non-Medicaid services.....		282,275,100
13	Medicaid adult benefits waiver.....		41,386,000
14	Mental health services for special populations.....		6,873,800
15	Medicaid substance abuse services.....		41,174,800
16	CMHSP, purchase of state services contracts.....		127,730,800
17	Civil service charges.....		1,499,300
18	Federal mental health block grant--2.5 FTE positions .		15,384,700
19	State disability assistance program substance abuse		
20	services .....		2,243,100
21	Community substance abuse prevention, education and		
22	treatment programs .....		83,515,200
23	Children's waiver home care program.....		21,049,800
24	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....		12,144,700
25	Children with serious emotional disturbance waiver...		<u>7,188,000</u>
26	GROSS APPROPRIATION.....	\$	2,661,980,900
27	Appropriated from:		

1	Interdepartmental grant revenues:	
2	Interdepartmental grant from the department of human	
3	services .....	1,769,000
4	Federal revenues:	
5	Total other federal revenues.....	1,493,564,500
6	Federal FMAP stimulus (ARRA).....	116,024,300
7	Special revenue funds:	
8	Total local revenues.....	25,228,900
9	Total other state restricted revenues.....	22,280,600
10	State general fund/general purpose.....	\$ 1,003,113,600
11	<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR</b>	
12	<b>PERSONS WITH DEVELOPMENTAL DISABILITIES, AND</b>	
13	<b>FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>	
14	Total average population .....	893.0
15	Full-time equated classified positions.....	2,590.5
16	Caro regional mental health center - psychiatric	
17	hospital - adult--468.3 FTE positions.....	\$ 55,012,200
18	Average population .....	185.0
19	Kalamazoo psychiatric hospital - adult--483.1 FTE	
20	positions .....	53,272,000
21	Average population .....	189.0
22	Walter P. Reuther psychiatric hospital -	
23	adult--433.3 FTE positions .....	49,818,900
24	Average population .....	234.0
25	Hawthorn center - psychiatric hospital - children	
26	and adolescents--230.9 FTE positions.....	25,809,600
27	Average population .....	75.0

1	Center for forensic psychiatry--578.6 FTE positions ..	64,206,000
2	Average population .....	210.0
3	Forensic mental health services provided to the	
4	department of corrections--396.3 FTE positions.....	50,527,800
5	Revenue recapture.....	750,000
6	IDEA, federal special education.....	120,000
7	Special maintenance.....	332,500
8	Purchase of medical services for residents of	
9	hospitals and centers .....	445,600
10	Gifts and bequests for patient living and treatment	
11	environment .....	<u>1,000,000</u>
12	GROSS APPROPRIATION.....	\$ 301,294,600
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Interdepartmental grant from the department of	
16	corrections .....	50,527,800
17	Federal revenues:	
18	Total other federal revenues.....	28,582,800
19	Federal FMAP stimulus (ARRA).....	1,580,500
20	Special revenue funds:	
21	CMHSP, purchase of state services contracts .....	127,730,800
22	Other local revenues.....	16,824,700
23	Total private revenues.....	1,000,000
24	Total other state restricted revenues.....	15,655,900
25	State general fund/general purpose.....	\$ 59,392,100
26	<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>	
27	Full-time equated classified positions.....	91.7



1	Public health administration--7.3 FTE positions .....	\$	1,475,800
2	Minority health grants and contracts--3.0 FTE		
3	positions .....		1,111,000
4	Promotion of healthy behaviors .....		975,900
5	Public health projects (ARRA) .....		5,000,000
6	Vital records and health statistics--81.4 FTE		
7	positions .....		<u>9,238,900</u>
8	GROSS APPROPRIATION .....	\$	17,801,600
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	Interdepartmental grant from the department of human		
12	services .....		1,148,200
13	Federal revenues:		
14	Total other federal revenues .....		4,946,900
15	Federal revenues (ARRA) .....		5,000,000
16	Special revenue funds:		
17	Total private revenues .....		300,000
18	Total other state restricted revenues .....		5,232,500
19	State general fund/general purpose .....	\$	1,174,000
20	<b>Sec. 107. HEALTH POLICY, REGULATION, AND</b>		
21	<b>PROFESSIONS</b>		
22	Full-time equated classified positions..... 441.6		
23	Health systems administration--199.6 FTE positions ...	\$	21,322,200
24	Emergency medical services program state staff--8.5		
25	FTE positions .....		1,308,300
26	Radiological health administration--21.4 FTE positions		3,060,800
27	Emergency medical services grants and services .....		660,000

1	Health professions--157.0 FTE positions .....	25,978,300
2	Background check program--5.5 FTE positions .....	2,705,400
3	Health policy and regulation--30.2 FTE positions .....	3,728,100
4	Nurse scholarship, education, and research	
5	program--3.0 FTE positions .....	1,727,800
6	Certificate of need program administration--14.0 FTE	
7	positions .....	2,008,400
8	Rural health services--1.0 FTE position .....	1,407,400
9	Michigan essential health provider .....	872,700
10	Primary care services--1.4 FTE positions .....	4,349,300
11	Primary care services (ARRA) .....	<u>5,000,000</u>
12	GROSS APPROPRIATION .....	\$ 74,128,700
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	Interdepartmental grant from the department of	
16	treasury, Michigan state hospital finance authority.	116,300
17	Federal revenues:	
18	Total other federal revenues .....	26,298,800
19	Federal revenues (ARRA) .....	5,000,000
20	Special revenue funds:	
21	Total local revenues .....	100,000
22	Total private revenues .....	455,000
23	Total other state restricted revenues .....	31,772,400
24	State general fund/general purpose .....	\$ 10,386,200
25	<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
26	Full-time equated classified positions..... 50.7	
27	AIDS prevention, testing, and care programs--12.7	

1	FTE positions .....	\$	54,441,000
2	Immunization local agreements.....		13,725,200
3	Immunization program management and field		
4	support--15.0 FTE positions .....		2,094,900
5	Pediatric AIDS prevention and control--1.0 FTE		
6	position .....		1,231,300
7	Sexually transmitted disease control local agreements		3,360,700
8	Sexually transmitted disease control management and		
9	field support--22.0 FTE positions.....		<u>3,735,700</u>
10	GROSS APPROPRIATION.....	\$	78,588,800
11	Appropriated from:		
12	Federal revenues:		
13	Total other federal revenues.....		43,433,200
14	Special revenue funds:		
15	Total private revenues.....		22,707,700
16	Total other state restricted revenues.....		9,575,500
17	State general fund/general purpose.....	\$	2,872,400
18	<b>Sec. 109. LABORATORY SERVICES</b>		
19	Full-time equated classified positions..... 109.0		
20	Laboratory services--109.0 FTE positions.....	\$	<u>16,839,300</u>
21	GROSS APPROPRIATION.....	\$	16,839,300
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	Interdepartmental grant from the department of		
25	natural resources and the environment.....		459,500
26	Federal revenues:		
27	Total federal revenues.....		1,818,100

1	Special revenue funds:	
2	Total other state restricted revenues .....	7,949,500
3	State general fund/general purpose .....	\$ 6,612,200
4	<b>Sec. 110. EPIDEMIOLOGY</b>	
5	Full-time equated classified positions.....	127.7
6	AIDS surveillance and prevention program.....	2,254,100
7	Asthma prevention and control--2.6 FTE positions .....	857,100
8	Bioterrorism preparedness--68.6 FTE positions .....	49,169,900
9	Epidemiology administration--39.0 FTE positions .....	8,043,300
10	Lead abatement program--7.0 FTE positions .....	2,436,000
11	Newborn screening follow-up and treatment	
12	services--10.5 FTE positions .....	4,730,600
13	Tuberculosis control and prevention.....	<u>867,000</u>
14	GROSS APPROPRIATION.....	\$ 68,358,000
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	61,002,200
18	Special revenue funds:	
19	Total private revenues.....	25,000
20	Total other state restricted revenues .....	5,559,100
21	State general fund/general purpose .....	\$ 1,771,700
22	<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
23	Essential local public health services .....	\$ 39,082,800
24	Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
25	Local health services.....	600,000
26	Medicaid outreach cost reimbursement to local health	
27	departments .....	<u>9,000,000</u>

1	GROSS APPROPRIATION.....	\$	48,702,800
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		9,500,000
5	Special revenue funds:		
6	Total local revenues.....		5,150,000
7	Total other state restricted revenues.....		100,000
8	State general fund/general purpose.....	\$	33,952,800
9	<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND</b>		
10	<b>HEALTH PROMOTION</b>		
11	Full-time equated classified positions.....		75.5
12	Alzheimer's information network.....	\$	99,500
13	Cancer prevention and control program--12.0 FTE		
14	positions .....		14,555,100
15	Chronic disease control and health promotion		
16	administration--33.4 FTE positions.....		6,664,800
17	Diabetes and kidney program--12.2 FTE positions.....		2,570,100
18	Injury control intervention project.....		200,000
19	Public health traffic safety coordination--1.0 FTE		
20	position .....		287,500
21	Smoking prevention program--14.0 FTE positions.....		4,643,600
22	Violence prevention--2.9 FTE positions.....		<u>1,676,700</u>
23	GROSS APPROPRIATION.....	\$	30,697,300
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues.....		23,014,000
27	Special revenue funds:		

1	Total private revenues.....		61,600
2	Total other state restricted revenues.....		5,804,900
3	State general fund/general purpose.....	\$	1,816,800
4	<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH</b>		
5	<b>SERVICES</b>		
6	Full-time equated classified positions.....	53.6	
7	Childhood lead program--6.0 FTE positions.....	\$	1,593,500
8	Dental programs--3.0 FTE positions.....		992,600
9	Dental program for persons with developmental		
10	disabilities .....		151,000
11	Early childhood collaborative secondary prevention ...		100
12	Family, maternal, and children's health services		
13	administration--43.6 FTE positions.....		5,851,600
14	Family planning local agreements.....		9,085,700
15	Local MCH services.....		7,018,100
16	Pregnancy prevention program.....		1,707,300
17	Prenatal care outreach and service delivery support ..		50,100
18	School health and education programs--1.0 FTE		
19	position .....		405,500
20	Special projects.....		4,665,200
21	Sudden infant death syndrome program.....		321,300
22	GROSS APPROPRIATION.....	\$	31,842,000
23	Appropriated from:		
24	Federal revenues:		
25	Total federal revenues.....		26,533,600
26	Special revenue funds:		
27	Total local revenues.....		75,000

1	Total other state restricted revenues .....		1,505,200
2	State general fund/general purpose .....	\$	3,728,200
3	<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND</b>		
4	<b>NUTRITION PROGRAM</b>		
5	Full-time equated classified positions.....	45.0	
6	Women, infants, and children program administration		
7	and special projects--45.0 FTE positions.....	\$	13,597,400
8	Women, infants, and children program local		
9	agreements and food costs .....		<u>253,825,500</u>
10	GROSS APPROPRIATION.....	\$	267,422,900
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues.....		208,812,700
14	Special revenue funds:		
15	Total private revenues.....		58,610,200
16	State general fund/general purpose.....	\$	0
17	<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
18	<b>(CSHCS)</b>		
19	Full-time equated classified positions.....	47.8	
20	Children's special health care services		
21	administration--45.0 FTE positions.....	\$	5,081,000
22	Bequests for care and services--2.8 FTE positions....		1,511,400
23	Outreach and advocacy.....		3,773,500
24	Nonemergency medical transportation.....		2,679,300
25	Medical care and treatment.....		<u>241,368,200</u>
26	GROSS APPROPRIATION.....	\$	254,413,400
27	Appropriated from:		

1	Federal revenues:		
2	Total other federal revenues .....		142,332,700
3	Federal FMAP stimulus (ARRA) .....		9,686,700
4	Special revenue funds:		
5	Total private revenues .....		996,800
6	Total other state restricted revenues .....		3,839,600
7	State general fund/general purpose .....	\$	97,557,600
8	<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>		
9	Full-time equated classified positions.....	11.0	
10	Grants administration services--11.0 FTE positions ...	\$	1,539,800
11	Justice assistance grants .....		13,000,000
12	Crime victim rights services grants .....		<u>12,500,000</u>
13	GROSS APPROPRIATION .....	\$	27,039,800
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues .....		16,563,700
17	Special revenue funds:		
18	Total other state restricted revenues .....		10,476,100
19	State general fund/general purpose .....	\$	0
20	<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>		
21	Full-time equated classified positions.....	43.5	
22	Office of services to aging administration--43.5 FTE		
23	positions .....	\$	7,073,600
24	Community services .....		34,269,400
25	Nutrition services .....		35,360,200
26	Foster grandparent volunteer program .....		2,233,600
27	Retired and senior volunteer program .....		627,300



1	Senior companion volunteer program.....		1,604,400
2	Employment assistance.....		3,792,500
3	Respite care program.....		<u>5,868,700</u>
4	GROSS APPROPRIATION.....	\$	90,829,700
5	Appropriated from:		
6	Federal revenues:		
7	Total federal revenues.....		56,707,800
8	Special revenue funds:		
9	Total private revenues.....		607,500
10	Merit award trust fund.....		4,468,700
11	Total other state restricted revenues.....		1,400,000
12	State general fund/general purpose.....	\$	27,645,700
13	<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>		
14	Full-time equated classified positions.....	414.0	
15	Medical services administration--414.0 FTE positions .	\$	65,703,000
16	Facility inspection contract.....		132,800
17	MIChild administration.....		4,327,800
18	State health information exchange (ARRA) .....		<u>8,000,000</u>
19	GROSS APPROPRIATION.....	\$	78,163,600
20	Appropriated from:		
21	Federal revenues:		
22	Total other federal revenues.....		48,151,600
23	Federal revenues (ARRA) .....		8,000,000
24	Total local revenues.....		105,900
25	Total private revenues.....		100,000
26	Total other state restricted revenues.....		105,300
27	State general fund/general purpose.....	\$	21,700,800

1       **Sec. 119. MEDICAL SERVICES**

2	Hospital services and therapy.....	\$ 1,308,254,500
3	Hospital disproportionate share payments.....	52,500,000
4	Physician services.....	301,252,900
5	Medicare premium payments.....	399,490,400
6	Pharmaceutical services.....	401,414,600
7	Home health services.....	6,109,200
8	Hospice services.....	115,000,000
9	Transportation.....	15,481,300
10	Auxiliary medical services.....	5,487,500
11	Dental services.....	145,313,300
12	Ambulance services.....	11,335,700
13	Long-term care services.....	1,687,362,700
14	Medicaid home and community-based services waiver....	183,723,300
15	Adult home help services.....	304,928,900
16	Personal care services.....	24,409,600
17	Program of all-inclusive care for the elderly.....	23,600,000
18	Health plan services.....	4,028,012,700
19	MIChild program.....	52,709,100
20	Plan first family planning waiver.....	11,269,900
21	Medicaid adult benefits waiver.....	124,208,300
22	Special indigent care payments.....	88,518,500
23	Federal Medicare pharmaceutical program.....	152,119,200
24	Promotion of healthy behavior waiver.....	10,000,000
25	Maternal and child health.....	20,279,500
26	Subtotal basic medical services program.....	9,472,781,100
27	School-based services.....	91,296,500

1	Special Medicaid reimbursement .....	359,191,500
2	Subtotal special medical services payments .....	<u>450,488,000</u>
3	GROSS APPROPRIATION .....	\$ 9,923,269,100
4	Appropriated from:	
5	Federal revenues:	
6	Total other federal revenues .....	6,547,019,700
7	Federal FMAP stimulus (ARRA) .....	500,035,500
8	Special revenue funds:	
9	Total local revenues .....	59,888,900
10	Total private revenues .....	3,013,900
11	Merit award trust fund .....	81,988,900
12	Total other state restricted revenues .....	1,634,933,200
13	State general fund/general purpose .....	\$ 1,096,389,000
14	<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
15	Information technology services and projects .....	\$ 35,025,200
16	Michigan Medicaid information system .....	<u>16,801,100</u>
17	GROSS APPROPRIATION .....	\$ 51,826,300
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues .....	36,438,600
21	Special revenue funds:	
22	Total other state restricted revenues .....	3,192,300
23	State general fund/general purpose .....	\$ 12,195,400

24

PART 2

25

PROVISIONS CONCERNING APPROPRIATIONS

1 **GENERAL SECTIONS**

2       Sec. 201. Pursuant to section 30 of article IX of the state  
 3 constitution of 1963, total state spending from state resources  
 4 under part 1 for fiscal year 2010-2011 is \$4,272,868,500.00 and  
 5 state spending from state resources to be paid to local units of  
 6 government for fiscal year 2010-2011 is \$1,259,130,700.00. The  
 7 itemized statement below identifies appropriations from which  
 8 spending to local units of government will occur:

9 DEPARTMENT OF COMMUNITY HEALTH

10 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

11 AND SPECIAL PROJECTS

12 Community residential and support services ..... \$ 286,400

13 Housing and support services ..... 599,800

14 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

15 State disability assistance program substance

16 abuse services ..... \$ 2,243,100

17 Community substance abuse prevention, education, and

18 treatment programs ..... 14,292,500

19 Medicaid mental health services ..... 555,428,800

20 Community mental health non-Medicaid services ..... 282,275,100

21 Medicaid adult benefits waiver ..... 11,845,800

22 Mental health services for special populations ..... 6,873,800

23 Medicaid substance abuse services ..... 11,829,500

24 Children's waiver home care program ..... 5,622,000

25 Nursing home PASARR ..... 2,702,400

26 PUBLIC HEALTH ADMINISTRATION

27 Minority health grants and contracts ..... \$ 190,000

1	HEALTH POLICY, REGULATION, AND PROFESSIONS		
2	Primary care services.....	\$	88,900
3	INFECTIOUS DISEASE CONTROL		
4	AIDS prevention, testing, and care programs.....	\$	1,000,000
5	Immunization local agreements.....		1,750,000
6	Sexually transmitted disease control local agreements		235,200
7	LABORATORY SERVICES		
8	Laboratory services.....	\$	13,700
9	LOCAL HEALTH ADMINISTRATION AND GRANTS		
10	Implementation of 1993 PA 133, MCL 333.17015.....	\$	8,000
11	Essential local public health services.....		33,932,800
12	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
13	Cancer prevention and control program.....	\$	450,000
14	Chronic disease control and health promotion		
15	administration .....		261,600
16	Diabetes and kidney program.....		54,500
17	Smoking prevention program.....		800,000
18	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
19	Childhood lead program.....	\$	51,100
20	Pregnancy prevention program.....		90,000
21	School health education programs.....		250,000
22	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
23	Medical care and treatment.....	\$	895,700
24	Outreach and advocacy.....		1,237,500
25	MEDICAL SERVICES		
26	Dental services.....	\$	2,005,600
27	Long-term care services.....		269,214,200

1	Transportation.....		2,572,700
2	Medicaid adult benefits waiver.....		6,186,600
3	Hospital services and therapy.....		5,316,800
4	Physician services.....		4,251,500
5	OFFICE OF SERVICES TO THE AGING		
6	Community services.....	\$	12,233,500
7	Nutrition services.....		8,787,000
8	Foster grandparent volunteer program.....		679,800
9	Retired and senior volunteer program.....		175,000
10	Senior companion volunteer program.....		215,000
11	Respite care program.....		5,384,800
12	CRIME VICTIM SERVICES COMMISSION		
13	Crime victim rights services grants.....	\$	<u>6,800,000</u>
14	TOTAL OF PAYMENTS TO LOCAL UNITS		
15	OF GOVERNMENT.....	\$	1,259,130,700

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

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

21       Sec. 203. As used in this act:

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

23       (b) "ARRA" means the American recovery and reinvestment act of  
 24 2009, Public Law 111-5.

25       (c) "CMHSP" means a community mental health services program  
 26 as that term is defined in section 100a of the mental health code,  
 27 1974 PA 258, MCL 330.1100a.

1 (d) "Current fiscal year" means the fiscal year ending  
2 September 30, 2011.

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

5 (f) "Director" means the director of the department.

6 (g) "DSH" means disproportionate share hospital.

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

9 (i) "Federal poverty level" means the poverty guidelines  
10 published annually in the federal register by the United States  
11 department of health and human services under its authority to  
12 revise the poverty line under 42 USC 9902.

13 (j) "FMAP" means federal medical assistance percentages.

14 (k) "FTE" means full-time equated.

15 (l) "GME" means graduate medical education.

16 (m) "Health plan" means, at a minimum, an organization that  
17 meets the criteria for delivering the comprehensive package of  
18 services under the department's comprehensive health plan.

19 (n) "HIV/AIDS" means human immunodeficiency virus/acquired  
20 immune deficiency syndrome.

21 (o) "HMO" means health maintenance organization.

22 (p) "IDEA" means the individuals with disabilities education  
23 act, 20 USC 1400 to 1482.

24 (q) "IDG" means interdepartmental grant.

25 (r) "MCH" means maternal and child health.

26 (s) "MICHild" means the program described in section 1670.

27 (t) "MIHP" means the maternal infant health program.

1 (u) "PASARR" means the preadmission screening and annual  
2 resident review required under the omnibus budget reconciliation  
3 act of 1987, section 1919(e)(7) of the social security act, and 42  
4 USC 1396r.

5 (v) "PIHP" means a specialty prepaid inpatient health plan for  
6 Medicaid mental health services, services to persons with  
7 developmental disabilities, and substance abuse services as  
8 described in section 232b of the mental health code, 1974 PA 258,  
9 MCL 330.1232b.

10 (w) "Title XVIII" and "Medicare" mean title XVIII of the  
11 social security act, 42 USC 1395 to 1395iii.

12 (x) "Title XIX" and "Medicaid" mean title XIX of the social  
13 security act, 42 USC 1396 to 1396w-2.

14 (y) "Title XX" means title XX of the social security act, 42  
15 USC 1397 to 1397f.

16 (z) "WIC program" means the women, infants, and children  
17 supplemental nutrition program.

18 Sec. 204. The civil service commission shall bill the  
19 department at the end of the first fiscal quarter for the charges  
20 authorized by section 5 of article XI of the state constitution of  
21 1963. The department shall pay the total amount of the billing by  
22 the end of the second fiscal quarter.

23 Sec. 205. (1) A hiring freeze is imposed on the state  
24 classified civil service. State departments and agencies are  
25 prohibited from hiring any new full-time state classified civil  
26 service employees and prohibited from filling any vacant state  
27 classified civil service positions. This hiring freeze does not



1 apply to internal transfers of classified employees from 1 position  
2 to another within a department.

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

14 Sec. 206. (1) In addition to the funds appropriated in part 1,  
15 there is appropriated an amount not to exceed \$100,000,000.00 for  
16 federal contingency funds. These funds are not available for  
17 expenditure until they have been transferred to another line item  
18 in this act under section 393(2) of the management and budget act,  
19 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$20,000,000.00 for state  
22 restricted contingency funds. These funds are not available for  
23 expenditure until they have been transferred to another line item  
24 in this act under section 393(2) of the management and budget act,  
25 1984 PA 431, MCL 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is  
27 appropriated an amount not to exceed \$20,000,000.00 for local

1 contingency funds. These funds are not available for expenditure  
2 until they have been transferred to another line item in this act  
3 under section 393(2) of the management and budget act, 1984 PA 431,  
4 MCL 18.1393.

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

11 Sec. 208. The department shall use the Internet to fulfill the  
12 reporting requirements of this act. This requirement may include  
13 transmission of reports via electronic mail to the recipients  
14 identified for each reporting requirement, or it may include  
15 placement of reports on the Internet or Intranet site.

16 Sec. 209. Funds appropriated in part 1 shall not be used for  
17 the purchase of foreign goods or services, or both, if  
18 competitively priced and of comparable quality American goods or  
19 services, or both, are available. Preference shall be given to  
20 goods or services, or both, manufactured or provided by Michigan  
21 businesses if they are competitively priced and of comparable  
22 quality. In addition, preference shall be given to goods or  
23 services, or both, that are manufactured or provided by Michigan  
24 businesses owned and operated by veterans if they are competitively  
25 priced and of comparable quality.

26 Sec. 210. The director shall take all reasonable steps to  
27 ensure businesses in deprived and depressed communities compete for

1 and perform contracts to provide services or supplies, or both. The  
2 director shall strongly encourage firms with which the department  
3 contracts to subcontract with certified businesses in depressed and  
4 deprived communities for services, supplies, or both.

5       Sec. 211. (1) If the revenue collected by the department from  
6 fees and collections exceeds the amount appropriated in part 1, the  
7 revenue may be carried forward with the approval of the state  
8 budget director into the subsequent fiscal year. The revenue  
9 carried forward under this section shall be used as the first  
10 source of funds in the subsequent fiscal year.

11       (2) The department shall provide a report to the senate and  
12 house appropriations subcommittees on community health and the  
13 senate and house fiscal agencies on the balance of each of the  
14 restricted funds administered by the department as of September 30  
15 of the current fiscal year.

16       Sec. 212. (1) On or before February 1 of the current fiscal  
17 year, the department shall report to the house and senate  
18 appropriations subcommittees on community health, the house and  
19 senate fiscal agencies, and the state budget director on the  
20 detailed name and amounts of federal, restricted, private, and  
21 local sources of revenue that support the appropriations in each of  
22 the line items in part 1 of this act.

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

1 next fiscal year executive budget proposal.

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

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

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

12       (c) Eligibility criteria for program participation and maximum  
13 benefit levels where applicable.

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

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

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

26       Sec. 215. (1) The department shall report to the house and  
27 senate appropriations subcommittees on the budget for the

1 department, the joint committee on administrative rules, and the  
2 senate and house fiscal agencies by no later than April 1 of the  
3 current fiscal year on each specific policy change made by the  
4 department to implement a public act affecting that department that  
5 took effect during the preceding calendar year.

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

13 (3) As used in this section:

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

16 (b) "Small business" means that term as defined under section  
17 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
18 24.207a.

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

25 (2) The department's ability to satisfy appropriation  
26 deductions in part 1 shall not be limited to collections and  
27 accruals pertaining to services provided in the current fiscal

1 year, but shall also include reimbursements, refunds, adjustments,  
2 and settlements from prior years.

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

8 Sec. 218. The department shall include the following in its  
9 annual list of proposed basic health services as required in part  
10 23 of the public health code, 1978 PA 368, MCL 333.2301 to  
11 333.2321:

12 (a) Immunizations.

13 (b) Communicable disease control.

14 (c) Sexually transmitted disease control.

15 (d) Tuberculosis control.

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

17 (f) Screening newborns for the conditions listed in section  
18 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
19 recommended by the newborn screening quality assurance advisory  
20 committee created under section 5430 of the public health code,  
21 1978 PA 368, MCL 333.5430.

22 (g) Community health annex of the Michigan emergency  
23 management plan.

24 (h) Prenatal care.

25 Sec. 219. (1) The department may contract with the Michigan  
26 public health institute for the design and implementation of  
27 projects and for other public health-related activities prescribed

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

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

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

12 (c) The expected project duration.

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

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

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

27 Sec. 223. The department may establish and collect fees for

1 publications, videos and related materials, conferences, and  
2 workshops. Collected fees shall be used to offset expenditures to  
3 pay for printing and mailing costs of the publications, videos and  
4 related materials, and costs of the workshops and conferences. The  
5 department shall not collect fees under this section that exceed  
6 the cost of the expenditures.

7       Sec. 259. From the funds appropriated in part 1 for  
8 information technology, the department shall pay user fees to the  
9 department of technology, management, and budget for technology-  
10 related services and projects. Such user fees shall be subject to  
11 provisions of an interagency agreement between the department and  
12 the department of technology, management, and budget.

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

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

25       Sec. 265. The departments and agencies receiving  
26 appropriations in part 1 shall receive and retain copies of all  
27 reports funded from appropriations in part 1. Federal and state



1 guidelines for short-term and long-term retention of records shall  
2 be followed.

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

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

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

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

14       (d) The travel is necessary to comply with federal  
15 requirements.

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

18       (f) The travel is financed entirely by federal or nonstate  
19 funds.

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

1 information:

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

4 (b) The destination of each travel occurrence.

5 (c) The dates of each travel occurrence.

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

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

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

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

18 Sec. 270. Within 180 days after receipt of the notification  
19 from the attorney general's office of a legal action in which  
20 expenses had been recovered pursuant to section 106(4) of the  
21 social welfare act, 1939 PA 280, MCL 400.106, or any other statute  
22 under which the department has the right to recover expenses, the  
23 department shall submit a written report to the house and senate  
24 appropriations subcommittees on community health, the house and  
25 senate fiscal agencies, and the state budget office which includes,  
26 at a minimum, all of the following:

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

1 (b) The program or service for which the money was originally  
2 expended.

3 (c) Details on the disposition of the funds recovered such as  
4 the appropriation or revenue account in which the money was  
5 deposited.

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

7 Sec. 271. (1) The department, in cooperation with a PIHP, a  
8 Medicaid HMO, or a federally qualified health center shall  
9 establish and implement an early mental health services  
10 intervention pilot project. This project shall provide care  
11 coordination, disease management, and pharmacy management to  
12 eligible recipients suffering from chronic disease, including, but  
13 not limited to, diabetes, asthma, substance addiction, or stroke.  
14 Participating organizations may make use of data sharing, joint  
15 information technology efforts, and financial incentives to health  
16 providers and recipients in this project. The department shall  
17 encourage that each CMHSP and Medicaid health plan act in a  
18 coordinated manner in the establishment of their respective  
19 electronic medical record systems.

20 (2) The pilot project shall make use of preestablished  
21 objectives and outcome measures to determine the cost effectiveness  
22 of the project. Participating organizations shall collect data to  
23 study and monitor the correlation between early mental health  
24 treatment services to program participants and improvement in the  
25 management of their chronic disease.

26 (3) The department shall request any necessary Medicaid state  
27 plan amendments or waivers to ensure participation in this project

1 by eligible Medicaid recipients.

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

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

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

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

21 (b) Area agencies on aging and local providers that receive  
22 payment or reimbursement from funds appropriated under section 117.

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

1           Sec. 285. (1) By July 1 of the current fiscal year, the  
2 department shall expand its current prescription drug website to  
3 provide all of the following information:

4           (a) The 150 most commonly prescribed brand-name drug products  
5 under the Medicaid program and, if available, their generic  
6 equivalents.

7           (b) The most commonly prescribed brand-name drug products used  
8 for the treatment of all major illnesses and diseases, if not  
9 already included under subdivision (a), and, if available, their  
10 generic equivalents.

11           (c) The usual and customary price of each brand-name and  
12 generic prescription drug listed.

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

15           (e) Names and addresses for the pharmacies associated with the  
16 listed prescription drugs.

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

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

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

27           (i) An advisory statement alerting consumers that the price

1 posted for a listed drug product is only for the strength and  
2 quantity posted.

3 (j) A date stamp indicating the most recent date the usual and  
4 customary price of each brand-name and generic prescription drug  
5 listed was updated.

6 (k) A notation indicating a prescription drug price was  
7 corrected.

8 (2) The department shall provide a progress report on these  
9 efforts to the senate and house appropriations subcommittees on  
10 community health and the senate and house fiscal agencies by May 1  
11 of the current fiscal year.

12 Sec. 287. Not later than December 1, 2010, the department  
13 shall prepare and transmit a report that provides for estimates of  
14 the total general fund/general purpose appropriation lapses at the  
15 close of the previous fiscal year. This report shall summarize the  
16 projected year-end general fund/general purpose appropriation  
17 lapses by major departmental program or program areas. The report  
18 shall be transmitted to the office of the state budget, the  
19 chairpersons of the senate and house appropriations committees, and  
20 the fiscal agencies.

21 Sec. 292. (1) On a quarterly basis, the department shall  
22 report on the number of full-time equated positions in pay status  
23 by civil service classification to the senate and house of  
24 representatives standing committees on appropriations subcommittees  
25 on community health and the senate and house fiscal agencies.

26 (2) From the funds appropriated in part 1, the department  
27 shall develop, post, and maintain on a user-friendly and publicly

1 accessible Internet website all expenditures made by the department  
2 within a fiscal year. The posting must include the purpose for  
3 which each expenditure is made. Funds appropriated in part 1 from  
4 the ARRA shall also be included on a publicly accessible website  
5 maintained by the Michigan economic recovery office. The department  
6 shall not provide financial information on its website under this  
7 section if doing so would violate a federal or state law, rule,  
8 regulation, or guideline that establishes privacy or security  
9 standards applicable to that section.

10 Sec. 293. The department shall not expend more than \$10,000.00  
11 from the appropriations in part 1 to implement the requirements of  
12 section 292(2).

### 13 DEPARTMENTWIDE ADMINISTRATION

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

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

### 22 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL 23 PROJECTS

24 Sec. 350. The department may enter into a contract with the  
25 protection and advocacy agency, authorized under section 931 of the

1 mental health code, 1974 PA 258, MCL 330.1931, or a similar  
2 organization to provide legal services for purposes of gaining and  
3 maintaining occupancy in a community living arrangement that is  
4 under lease or contract with the department or a community mental  
5 health services program to provide services to persons with mental  
6 illness or developmental disability.

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

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

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

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

19 (c) The coordination of inpatient and outpatient hospital  
20 services through agreements with state-operated psychiatric  
21 hospitals, units, and centers in facilities owned or leased by the  
22 state, and privately-owned hospitals, units, and centers licensed  
23 by the state pursuant to sections 134 through 149b of the mental  
24 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

25 (d) Individualized plans of service that are sufficient to  
26 meet the needs of individuals, including those discharged from



1 psychiatric hospitals or centers, and that ensure the full range of  
2 recipient needs is addressed through the CMHSP's or PIHP's program  
3 or through assistance with locating and obtaining services to meet  
4 these needs.

5 (e) A system of case management or care management to monitor  
6 and ensure the provision of services consistent with the  
7 individualized plan of services or supports.

8 (f) A system of continuous quality improvement.

9 (g) A system to monitor and evaluate the mental health  
10 services provided.

11 (h) A system that serves at-risk and delinquent youth as  
12 required under the provisions of the mental health code, 1974 PA  
13 258, MCL 330.1001 to 330.2106.

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

27 (2) The department shall immediately report to the senate and

1 house appropriations subcommittees on community health, the senate  
2 and house fiscal agencies, and the state budget director if either  
3 of the following occurs:

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

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

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

11 Sec. 403. (1) From the funds appropriated in part 1 for mental  
12 health services for special populations, the department shall  
13 ensure that CMHSPs or PIHPs meet with multicultural service  
14 providers to develop a workable framework for contracting, service  
15 delivery, and reimbursement.

16 (2) Funds appropriated in part 1 for mental health services  
17 for special populations shall not be utilized for services provided  
18 to illegal immigrants, fugitive felons, and people who are not  
19 residents of this state. The department shall maintain contracts  
20 with recipients of multicultural services grants that mandate  
21 grantees establish that recipients of services are legally residing  
22 in the United States. An exception to the contractual provision  
23 will be allowed to address persons presenting with emergent mental  
24 health conditions.

25 (3) The department shall require an annual report from the  
26 independent organizations that receive mental health services for  
27 special populations funding. The annual report shall include

1 specific information on services and programs provided, the client  
2 base to which the services and programs were provided, and the  
3 expenditures for those services. The department shall provide the  
4 annual reports to the senate and house appropriations subcommittees  
5 on community health and the senate and house fiscal agencies.

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

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

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

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

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

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

1 (e) Information about access to community mental health  
2 services programs that includes, but is not limited to, the  
3 following:

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

5 (ii) The number of people who requested services but did not  
6 receive services.

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

9 (g) An analysis of information provided by CMHSPs in response  
10 to the needs assessment requirements of the mental health code,  
11 1974 PA 258, MCL 330.1001 to 330.2106, including information about  
12 the number of persons in the service delivery system who have  
13 requested and are clinically appropriate for different services.

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

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

19 (i) The amount of the contract, organized by type of service  
20 provided.

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

22 (iii) Administrative costs for services provided to CMHSPs or  
23 PIHPs.

24 (j) Information on the community mental health Medicaid  
25 managed care program, including, but not limited to, both of the  
26 following:

27 (i) Expenditures by each CMHSP or PIHP organized by Medicaid

1 eligibility group, including per eligible individual expenditure  
2 averages.

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

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

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

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

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

26 (2) Each CMHSP awarded wage pass-through money from the funds  
27 established under subsection (1) shall report on the actual

1 expenditures of the money in the format determined by the  
2 department.

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

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

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

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

26       (3) It is the intent of the legislature that the coordinating  
27 agencies continue current efforts to collaborate on the delivery of

1 services to those clients with mental illness and substance abuse  
2 diagnoses.

3 (4) Coordinating agencies that are located completely within  
4 the boundary of a PIHP shall conduct a study of the administrative  
5 costs and efficiencies associated with consolidation with that  
6 PIHP. If that coordinating agency realizes an administrative cost  
7 savings of 5% or greater of their current costs, then that  
8 coordinating agency shall initiate discussions regarding a  
9 potential merger in accordance with section 6226 of the public  
10 health code, 1978 PA 368, MCL 333.6226. The department shall report  
11 to the legislature by April 1 of the current fiscal year on any  
12 such discussions.

13 Sec. 408. (1) By April 1 of the current fiscal year, the  
14 department shall report the following data from the prior fiscal  
15 year on substance abuse prevention, education, and treatment  
16 programs to the senate and house appropriations subcommittees on  
17 community health, the senate and house fiscal agencies, and the  
18 state budget office:

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

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

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

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

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

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

10 Sec. 409. The funding in part 1 for substance abuse services  
11 shall be distributed in a manner that provides priority to service  
12 providers that furnish child care services to clients with  
13 children.

14 Sec. 410. The department shall assure that substance abuse  
15 treatment is provided to applicants and recipients of public  
16 assistance through the department of human services who are  
17 required to obtain substance abuse treatment as a condition of  
18 eligibility for public assistance.

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

24 (2) Each CMHSP or PIHP shall have jail diversion services and  
25 shall work toward establishing working relationships with  
26 representative staff of local law enforcement agencies, including  
27 county prosecutors' offices, county sheriffs' offices, county



1 jails, municipal police agencies, municipal detention facilities,  
2 and the courts. Written interagency agreements describing what  
3 services each participating agency is prepared to commit to the  
4 local jail diversion effort and the procedures to be used by local  
5 law enforcement agencies to access mental health jail diversion  
6 services are strongly encouraged.

7       Sec. 412. The department shall contract directly with the  
8 Salvation Army harbor light program to provide non-Medicaid  
9 substance abuse services.

10       Sec. 414. Medicaid substance abuse treatment services shall be  
11 managed by PIHPs pursuant to the centers for Medicare and Medicaid  
12 services' approval of Michigan's 1915(b) waiver request submitted  
13 under 42 USC 1396n to implement a managed care plan for specialized  
14 substance abuse services. The PIHPs shall receive a capitated  
15 payment on a per eligible per month basis to assure provision of  
16 medically necessary substance abuse services to all beneficiaries  
17 who require those services. The PIHPs shall be responsible for the  
18 reimbursement of claims for specialized substance abuse services.  
19 The PIHPs that are not coordinating agencies may continue to  
20 contract with a coordinating agency. Any alternative arrangement  
21 must be based on client service needs and have prior approval from  
22 the department.

23       Sec. 418. On or before the tenth of each month, the department  
24 shall report to the senate and house appropriations subcommittees  
25 on community health, the senate and house fiscal agencies, and the  
26 state budget director on the amount of funding paid to PIHPs to  
27 support the Medicaid managed mental health care program in the

1 preceding month. The information shall include the total paid to  
2 each PIHP, per capita rate paid for each eligibility group for each  
3 PIHP, and number of cases in each eligibility group for each PIHP,  
4 and year-to-date summary of eligibles and expenditures for the  
5 Medicaid managed mental health care program.

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

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

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

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

22 Sec. 428. Each PIHP shall provide, from internal resources,  
23 local funds to be used as a bona fide part of the state match  
24 required under the Medicaid program in order to increase capitation  
25 rates for PIHPs. These funds shall not include either state funds  
26 received by a CMHSP for services provided to non-Medicaid  
27 recipients or the state matching portion of the Medicaid capitation

1 payments made to a PIHP.

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

9       Sec. 442. (1) It is the intent of the legislature that the  
10 \$41,386,000.00 in funding transferred from the community mental  
11 health non-Medicaid services line to support the Medicaid adult  
12 benefits waiver program shall be used to provide state match for  
13 increases in federal funding for primary care and specialty  
14 services provided to Medicaid adult benefits waiver enrollees and  
15 for economic increases for the Medicaid specialty services and  
16 supports program.

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

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

24       (4) If enrollment in the Medicaid adult benefits waiver  
25 program does not achieve expectations and the funding appropriated  
26 for the Medicaid adult benefits waiver program for specialty  
27 services is not expended, the general fund balance shall be

1 transferred back to the community mental health non-Medicaid  
2 services line. The department shall report quarterly to the senate  
3 and house appropriations subcommittees on community health a  
4 summary of eligible expenditures for the Medicaid adult benefits  
5 waiver program by CMHSPs.

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

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

21 (2) CMHSPs and PIHPs shall take all necessary steps to ensure  
22 that individuals with mental illness, developmental disabilities,  
23 or substance abuse issues be placed in the most integrated setting  
24 in the quickest amount of time possible if the individual, after  
25 being fully informed, chooses freely, and through a person-centered  
26 process.

27 Sec. 458. By April 15 of the current fiscal year, the

1 department shall provide each of the following to the house and  
2 senate appropriations subcommittees on community health, the house  
3 and senate fiscal agencies, and the state budget director:

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

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

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

18 Sec. 462. (1) With the exception of administrative costs, the  
19 department shall continue to utilize the funding formula for all  
20 CMHSPs that receive funds appropriated under the community mental  
21 health non-Medicaid services line utilized in fiscal year 2009-  
22 2010.

23 (2) The department shall convene a workgroup including CMHSPs  
24 regarding the allocation of the current fiscal year administrative  
25 reduction of \$3,797,900.00.

26 Sec. 463. The department shall use standard program evaluation  
27 measures to assess the overall effectiveness of programs provided

1 through coordinating agencies and service providers in reducing and  
2 preventing the incidence of substance abuse. The measures  
3 established by the department shall be modeled after the program  
4 outcome measures and best practice guidelines for the treatment of  
5 substance abuse as proposed by the federal substance abuse and  
6 mental health services administration.

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

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

25       (b) The accommodations or adjustments favor coordinating  
26 agencies who voluntarily elect to integrate with local community  
27 mental health authorities.

1 (c) The accommodations or adjustments do not negatively affect  
2 other coordinating agencies.

3 Sec. 470. (1) For those substance abuse coordinating agencies  
4 that have voluntarily incorporated into community mental health  
5 authorities and accepted funding from the department for  
6 administrative costs incurred pursuant to section 468, the  
7 department shall establish written expectations for those CMHSPs,  
8 PIHPs, and substance abuse coordinating agencies and counties with  
9 respect to the integration of mental health and substance abuse  
10 services. At a minimum, the written expectations shall provide for  
11 the integration of those services as follows:

12 (a) Coordination and consolidation of administrative functions  
13 and redirection of efficiencies into service enhancements.

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

16 (c) Alignment of coordinating agencies and PIHPs boundaries to  
17 maximize opportunities for collaboration and integration of  
18 administrative functions and clinical activities.

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

25 Sec. 474. The department shall ensure that each contract with  
26 a CMHSP or PIHP requires the CMHSP or PIHP to provide each  
27 recipient and his or her family with information regarding the

1 different types of guardianship and the alternatives to  
2 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to  
3 reduce or restrict the ability of a recipient or his or her family  
4 from seeking to obtain any form of legal guardianship without just  
5 cause.

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

12       Sec. 482. From the funds appropriated in part 1, the  
13 department shall continue funding for programs provided by Odyssey  
14 house.

15       Sec. 489. The department shall work with the Michigan  
16 association of community mental health boards and individual CMHSPs  
17 in an effort to mitigate necessary reductions to the community  
18 mental health non-Medicaid services line by seeking alternative  
19 funding sources.

20       Sec. 490. (1) The department shall establish a workgroup to  
21 develop a plan to maximize uniformity and consistency in the  
22 standards required of providers contracting directly with PIHPs,  
23 CMHSPs, and substance abuse coordinating agencies. These standards  
24 shall apply to community living supports, personal care services,  
25 substance abuse services, skill building services, and other  
26 similar supports and services providers who contract with PIHPs,  
27 CMHSPs, and substance abuse coordinating agencies or their



1 contractors.

2 (2) The workgroup shall include representatives of the  
3 department, PIHPs, CMHSPs, substance abuse coordinating agencies,  
4 and affected providers. The standards shall include, but are not  
5 limited to, contract language, training requirements for direct  
6 support staff, performance indicators, financial and program  
7 audits, and billing procedures.

8 (3) The department shall provide a status report on the  
9 workgroup's efforts to the senate and house appropriations  
10 subcommittees on community health, the senate and house fiscal  
11 agencies, and the state budget director by June 1 of the current  
12 fiscal year.

13 Sec. 491. The department shall explore changes in program  
14 policy in the habilitation supports waiver for persons with  
15 developmental disabilities that would permit the movement of a slot  
16 that has become available to a county that has demonstrated a  
17 greater need for the services.

18 Sec. 492. If a CMHSP has entered into an agreement with a  
19 county or county sheriff to provide mental health services to the  
20 inmates of the county jail, the department shall not prohibit the  
21 use of state general fund/general purpose dollars by CMHSPs to  
22 provide mental health services to inmates of a county jail.

23 Sec. 493. From the funds appropriated in part 1, \$1,000,000.00  
24 shall be allocated to enhance the community health outreach program  
25 provided by self-help addiction rehabilitation.

26 **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL**

1 **DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

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

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

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

26       Sec. 603. (1) The funds appropriated in part 1 for forensic  
27 mental health services provided to the department of corrections

1 are in accordance with the interdepartmental plan developed in  
2 cooperation with the department of corrections. The department is  
3 authorized to receive and expend funds from the department of  
4 corrections in addition to the appropriations in part 1 to fulfill  
5 the obligations outlined in the interdepartmental agreements.

6 (2) By February 15 of the current fiscal year, the department  
7 shall provide a copy of the interdepartmental plan developed with  
8 the department of corrections to the senate and house  
9 appropriations subcommittees on community health and the senate and  
10 house fiscal agencies. The department shall work with the  
11 department of corrections to ensure that this interdepartmental  
12 agreement is updated every 3 years and that forensic mental health  
13 services provided to the department of corrections meet the  
14 standard of care for the provision of mental health services.

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

17 (a) The number of days of care purchased from state hospitals  
18 and centers.

19 (b) The number of days of care purchased from private  
20 hospitals in lieu of purchasing days of care from state hospitals  
21 and centers.

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

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

26 (2) The department shall annually report the information in  
27 subsection (1) to the house and senate appropriations subcommittees

1 on community health, the house and senate fiscal agencies, and the  
2 state budget director.

3       Sec. 605. (1) The department shall not implement any closures  
4 or consolidations of state hospitals, centers, or agencies until  
5 CMHSPs or PIHPs have programs and services in place for those  
6 persons currently in those facilities and a plan for service  
7 provision for those persons who would have been admitted to those  
8 facilities.

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

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

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

25       Sec. 606. The department may collect revenue for patient  
26 reimbursement from first- and third-party payers, including  
27 Medicaid and local county CMHSP payers, to cover the cost of

1 placement in state hospitals and centers. The department is  
2 authorized to adjust financing sources for patient reimbursement  
3 based on actual revenues earned. If the revenue collected exceeds  
4 current year expenditures, the revenue may be carried forward with  
5 approval of the state budget director. The revenue carried forward  
6 shall be used as a first source of funds in the subsequent year.

7       Sec. 608. Effective October 1, 2010, the department, in  
8 consultation with the department of technology, management, and  
9 budget, shall establish and implement a bid process to identify 1  
10 or more private contractors to provide food service and custodial  
11 services for the administrative areas at any state hospital  
12 identified by the department as capable of generating a minimum of  
13 7.5% savings through the outsourcing of such services.

14       Sec. 609. The department shall continue to ban the use of all  
15 tobacco products in and on the grounds of state psychiatric  
16 facilities. As used in this section, "tobacco product" means a  
17 product that contains tobacco and is intended for human  
18 consumption, including, but not limited to, cigarettes,  
19 noncigarette smoking tobacco, or smokeless tobacco, as those terms  
20 are defined in section 2 of the tobacco products tax act, 1993 PA  
21 327, MCL 205.422, and cigars.

## 22       PUBLIC HEALTH ADMINISTRATION

23       Sec. 650. The department shall communicate the annual public  
24 health consumption advisory for sportfish. The department shall, at  
25 a minimum, post the advisory on the Internet and make the  
26 information in the advisory available to the clients of the women,

1 infants, and children special supplemental nutrition program.

2       Sec. 653. The department shall develop plans to address  
3 potential state public health emergencies.

4 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

5       Sec. 704. The department shall continue to contract with  
6 grantees supported through the appropriation in part 1 for the  
7 emergency medical services grants and contracts to ensure that a  
8 sufficient number of qualified emergency medical services personnel  
9 exist to serve rural areas of the state.

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

14       Sec. 707. The funds appropriated in part 1 for the nursing  
15 scholarship program, established pursuant to section 16315 of the  
16 public health code, 1978 PA 368, MCL 333.16315, shall be used to  
17 increase the number of nurses practicing in Michigan. The board of  
18 nursing is encouraged to structure scholarships funded under this  
19 act in a manner that rewards recipients who intend to practice  
20 nursing in Michigan. In addition, the department and the board of  
21 nursing shall work cooperatively with the Michigan higher education  
22 assistance authority to coordinate scholarship assistance with  
23 scholarships provided pursuant to the Michigan nursing scholarship  
24 act, 2002 PA 591, MCL 390.1181 to 390.1189.

25       Sec. 708. Nursing facilities shall report in the quarterly  
26 staff report to the department, the total patient care hours

1 provided each month, by state licensure and certification  
2 classification, and the percentage of pool staff, by state  
3 licensure and certification classification, used each month during  
4 the preceding quarter. The department shall make available to the  
5 public, the quarterly staff report compiled for all facilities  
6 including the total patient care hours and the percentage of pool  
7 staff used, by classification.

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

12       Sec. 710. From the funds appropriated in part 1 for primary  
13 care services, an amount not to exceed \$2,172,700.00 is  
14 appropriated to enhance the service capacity of the federally  
15 qualified health centers and other health centers that are similar  
16 to federally qualified health centers.

17       Sec. 711. The department may make available to interested  
18 entities customized listings of nonconfidential information in its  
19 possession, such as names and addresses of licensees. The  
20 department may establish and collect a reasonable charge to provide  
21 this service. The revenue received from this service shall be used  
22 to offset expenses to provide the service. Any balance of this  
23 revenue collected and unexpended at the end of the fiscal year  
24 shall revert to the appropriate restricted fund.

25       Sec. 712. From the funds appropriated in part 1 for primary  
26 care services, \$250,000.00 shall be allocated to free health  
27 clinics operating in the state. The department shall distribute the

1 funds equally to each free health clinic. For the purpose of this  
2 appropriation, "free health clinics" means nonprofit organizations  
3 that use volunteer health professionals to provide care to  
4 uninsured individuals.

5 Sec. 713. The department shall continue support of  
6 multicultural agencies that provide primary care services from the  
7 funds appropriated in part 1.

8 Sec. 714. The department shall report by April 1 of the  
9 current fiscal year to the legislature on the timeliness of nursing  
10 facility complaint investigations and the number of allegations  
11 that are substantiated on an annual basis. The report shall consist  
12 of the number of allegations filed by consumers and the number of  
13 facility-reported incidents. The department shall make every effort  
14 to contact every complainant and the subject of a complaint during  
15 an investigation.

16 Sec. 716. The department shall give priority in investigations  
17 of alleged wrongdoing by licensed health care professionals to  
18 instances that are alleged to have occurred within 2 years of the  
19 initial complaint.

20 Sec. 718. The department shall gather information on its most  
21 frequently cited complaint deficiencies for the prior 3 fiscal  
22 years. The department shall determine whether there is an increase  
23 in the number of citations from 1 year to the next and assess the  
24 cause of the increase, if any, and whether education and training  
25 of nursing facility staff or department staff is needed. The  
26 department will implement any training indicated by the study. The  
27 department shall provide the results of the study to the senate and



1 house appropriations subcommittees on community health and the  
2 senate and house fiscal agencies by May 1 of the current fiscal  
3 year.

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

7 Sec. 722. A medical professional who was newly accepted into  
8 the Michigan essential health provider program in fiscal year 2008-  
9 2009 is eligible for 4 years of loan repayments.

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

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

1           Sec. 726. (1) The department shall submit a report by April 1  
2 of the current fiscal year to the house and senate appropriations  
3 subcommittees on community health, the house and senate fiscal  
4 agencies, and the state budget director, on an annual basis, that  
5 includes all data on the amount collected from medical marihuana  
6 program application and renewal fees along with the cost of  
7 administering the medical marihuana program under the Michigan  
8 medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

9           (2) If the required fees are shown to be insufficient to  
10 offset all expenses of implementing and administering the medical  
11 marihuana program, the department shall review and revise the  
12 application and renewal fees accordingly to ensure that all  
13 expenses of implementing and administering the medical marihuana  
14 program are offset as is permitted under section 5 of the Michigan  
15 medical marihuana act, 2008 IL 1, MCL 333.26425.

16           Sec. 727. By October 1, 2010 if authorized by law, the  
17 department shall establish and implement a bid process to identify  
18 a private or public contractor to provide management of the medical  
19 marihuana program. By April 1 of the current fiscal year if  
20 authorized by law, the department shall transfer responsibility for  
21 management of the medical marihuana program to the contractor  
22 identified by the bid process.

23           Sec. 729. The department shall identify counties in which  
24 there are an insufficient number of health professionals providing  
25 obstetrical and gynecological services. In addition, the department  
26 shall identify the reasons why there are an insufficient number of  
27 health professionals providing obstetrical and gynecological

1 services and identify possible policy or fiscal, or both, measures  
2 considered necessary to address the shortage. The department shall  
3 submit a report of its findings under this section to the house and  
4 senate appropriations subcommittees on community health, house and  
5 senate fiscal agencies, and state budget director no later than  
6 December 1 of the current fiscal year.

7       Sec. 730. The department shall ensure that any Medicare  
8 certification survey authorized by the center for Medicare and  
9 Medicaid services (CMS) for the expansion of, or the operation of,  
10 a new outpatient end-stage renal disease facility shall be  
11 conducted within 120 days after that authorization as allowed by  
12 federal rules, regulations, and instructions. The 120 days shall  
13 begin when all requirements for the initial certification survey  
14 have been fulfilled, including approval of the CMS application,  
15 issuance of the CMS-855 by national government services, state  
16 approval for occupancy, and provision of care for a reasonable and  
17 sufficient number of patients for 1 complete week.

18       INFECTIOUS DISEASE CONTROL

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

23       Sec. 803. The department shall continue the AIDS drug  
24 assistance program maintaining the prior year eligibility criteria  
25 and drug formulary. This section does not prohibit the department  
26 from providing assistance for improved AIDS treatment medications.

1 If the appropriation in part 1 or actual revenue is not sufficient  
2 to maintain the prior year eligibility criteria and drug formulary,  
3 the department may revise the eligibility criteria and drug  
4 formulary in a manner that is consistent with federal program  
5 guidelines.

6 Sec. 804. The department, in conjunction with efforts to  
7 implement the Michigan prisoner reentry initiative, shall cooperate  
8 with the department of corrections to share data and information as  
9 they relate to prisoners being released who are HIV positive or  
10 positive for the hepatitis C antibody.

#### 11 LABORATORY SERVICES

12 Sec. 840. From the funds appropriated in part 1 for laboratory  
13 services, the department shall allocate \$250,000.00 for Upper  
14 Peninsula laboratory services for the continuation of operations  
15 and services in fiscal year 2010-2011.

#### 16 EPIDEMIOLOGY

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

1     LOCAL HEALTH ADMINISTRATION AND GRANTS

2           Sec. 901. The amount appropriated in part 1 for implementation  
3 of the 1993 additions of or amendments to sections 9161, 16221,  
4 16226, 17014, 17015, and 17515 of the public health code, 1978 PA  
5 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and  
6 333.17515, shall be used to reimburse local health departments for  
7 costs incurred related to implementation of section 17015(18) of  
8 the public health code, 1978 PA 368, MCL 333.17015.

9           Sec. 902. (1) If a county that has participated in a district  
10 health department or an associated arrangement with other local  
11 health departments takes action to cease to participate in such an  
12 arrangement after October 1 of the current fiscal year, the  
13 department shall have the authority to assess a penalty from the  
14 local health department's operational accounts in an amount equal  
15 to no more than 6.25% of the local health department's essential  
16 local public health services funding. This penalty shall only be  
17 assessed to the local county that requests the dissolution of the  
18 health department.

19           (2) The department shall explore changes in program policy  
20 that would permit enhanced grants provided through the essential  
21 local public health services line to local public health  
22 departments that have successfully consolidated after October 1 of  
23 the current fiscal year.

24           Sec. 904. (1) Funds appropriated in part 1 for essential local  
25 public health services shall be prospectively allocated to local  
26 health departments to support immunizations, infectious disease

1 control, sexually transmitted disease control and prevention,  
2 hearing screening, vision services, food protection, public water  
3 supply, private groundwater supply, and on-site sewage management.  
4 Food protection shall be provided in consultation with the  
5 department of agriculture. Public water supply, private groundwater  
6 supply, and on-site sewage management shall be provided in  
7 consultation with the department of natural resources and  
8 environment.

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

11 (3) Distributions in subsection (1) shall be made only to  
12 counties that maintain local spending in the current fiscal year of  
13 at least the amount expended in fiscal year 1992-1993 for the  
14 services described in subsection (1).

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

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

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

26 (2) For purposes of complying with 2004 PA 164, \$100,000.00 of

1 the funds appropriated in part 1 for the smoking prevention program  
2 shall be used for the quit kit program that includes the nicotine  
3 patch or nicotine gum.

4 Sec. 1007. (1) The funds appropriated in part 1 for violence  
5 prevention may be used for programs aimed at the prevention of  
6 spouse, partner, or child abuse and rape.

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

10 Sec. 1008. From the funds appropriated in part 1 for the  
11 diabetes and kidney program, the department may allocate up to  
12 \$25,000.00 for a diabetes management pilot project in Muskegon  
13 County.

14 Sec. 1009. From the funds appropriated in part 1 for the  
15 diabetes and kidney program, a portion of the funds may be  
16 allocated to the National Kidney Foundation of Michigan for kidney  
17 disease prevention programming including early identification and  
18 education programs and kidney disease prevention demonstration  
19 projects.

20 Sec. 1019. From the funds appropriated in part 1 for chronic  
21 disease control and health promotion administration, up to  
22 \$50,000.00 may be allocated for stroke prevention, education, and  
23 outreach. The objectives of the program shall include education to  
24 assist persons in identifying risk factors, and education to assist  
25 persons in the early identification of the occurrence of a stroke  
26 in order to minimize stroke damage.

27 Sec. 1028. Contingent on the availability of state restricted

1 healthy Michigan fund money or federal preventive health and health  
2 services block grant fund money, funds may be appropriated for the  
3 African-American male health initiative.

4       Sec. 1031. (1) From the funds appropriated in part 1 for the  
5 injury control intervention project, \$200,000.00 shall be used to  
6 continue 2 incentive-based pilot programs for level I and level II  
7 trauma hospitals to ensure greater state utilization of an  
8 interactive, evidence-based treatment guideline model for traumatic  
9 brain injury.

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

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

14       Sec. 1101. The department shall review the basis for the  
15 distribution of funds to local health departments and other public  
16 and private agencies for the women, infants, and children food  
17 supplement program; family planning; and prenatal care outreach and  
18 service delivery support program and indicate the basis upon which  
19 any projected underexpenditures by local public and private  
20 agencies shall be reallocated to other local agencies that  
21 demonstrate need.

22       Sec. 1104. (1) Before April 1 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 planned allocations from  
25 the amounts appropriated in part 1 for local MCH services, prenatal  
26 care outreach and service delivery support, family planning local



1 agreements, and pregnancy prevention programs. Using applicable  
2 federal definitions, the report shall include information on all of  
3 the following:

4 (a) Funding allocations.

5 (b) Actual number of women, children, and adolescents served  
6 and amounts expended for each group for the immediately preceding  
7 fiscal year.

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

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

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

17 Sec. 1105. For all family, maternal, and children's health  
18 services programs for which an appropriation is made in part 1, the  
19 department shall contract with those local agencies best able to  
20 serve clients. Factors to be used by the department in evaluating  
21 agencies under this section include the ability to serve high-risk  
22 population groups; ability to provide access to individuals in need  
23 of services in rural communities; ability to serve low-income  
24 clients, where applicable; availability of, and access to, service  
25 sites; management efficiency; and ability to meet federal  
26 standards, when applicable.

27 Sec. 1106. Each family planning program receiving federal

1 title X family planning funds under 42 USC 300 to 300a-8 shall be  
2 in compliance with all performance and quality assurance indicators  
3 that the office of family planning within the United States  
4 department of health and human services specifies in the family  
5 planning annual report. An agency not in compliance with the  
6 indicators shall not receive supplemental or reallocated funds.

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

10 Sec. 1109. (1) From the amounts appropriated in part 1 for  
11 dental programs, funds shall be allocated to the Michigan dental  
12 association for the administration of a volunteer dental program  
13 that provides dental services to the uninsured.

14 (2) Not later than December 1 of the current fiscal year, the  
15 department shall report to the senate and house appropriations  
16 subcommittees on community health and the senate and house standing  
17 committees on health policy the number of individual patients  
18 treated, number of procedures performed, and approximate total  
19 market value of those procedures from the immediately preceding  
20 fiscal year.

21 Sec. 1110. An agency that currently receives pregnancy  
22 prevention funds and either receives or is eligible for other  
23 family planning funds shall have the option of receiving all of its  
24 family planning funds directly from the department and be  
25 designated as a delegate agency.

26 Sec. 1111. The department shall allocate no less than 88% of  
27 the funds appropriated in part 1 for family planning local

1 agreements and the pregnancy prevention program for the direct  
2 provision of family planning and pregnancy prevention services.

3       Sec. 1112. From the funds appropriated in part 1 for prenatal  
4 care outreach and service delivery support, the department shall  
5 allocate up to \$1,000,000.00 to communities with high infant  
6 mortality rates.

7       Sec. 1117. (1) Contingent upon the availability of federal or  
8 state restricted funds, the department may pursue efforts to reduce  
9 the incidence of stillbirth. Efforts shall include the  
10 establishment of a program to increase public awareness of  
11 stillbirth, promote education to monitor fetal movements counting  
12 kicks, promote a uniform definition of stillbirth, standardize data  
13 collection of stillbirths, and collaborate with appropriate federal  
14 agencies and statewide organizations. The department shall seek  
15 federal or other grant funds to assist in implementing this  
16 program.

17       (2) From the funds appropriated in part 1 for prenatal care  
18 outreach and service delivery support, effective March 1, 2011, the  
19 department shall allocate to the healthy birth day organization or  
20 to the first candle organization \$50,000.00 for efforts to reduce  
21 the incidence of stillbirth as described in subsection (1). The  
22 organization shall use these funds primarily for a counting fetal  
23 kicks awareness program and materials for expectant parents and  
24 maternal health care providers. It is the intent of the legislature  
25 that the recipient organization act in a collaborative manner with  
26 other organizations having a stated purpose of preventing infant  
27 mortality.

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

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

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

18           (a) The department of education.

19           (b) The department of community health.

20           (c) The health administration in the department of community  
21 health.

22           (d) The mental health and substance abuse administration in  
23 the department of community health.

24           (e) The department of human services.

25           (f) The department of state police.

26           (2) Upon written or oral request, a pupil not less than 18  
27 years of age or a parent or legal guardian of a pupil less than 18

1 years of age, within a reasonable period of time after the request  
2 is made, shall be informed of the content of a course in the health  
3 education curriculum and may examine textbooks and other classroom  
4 materials that are provided to the pupil or materials that are  
5 presented to the pupil in the classroom. This subsection does not  
6 require a school board to permit pupil or parental examination of  
7 test questions and answers, scoring keys, or other examination  
8 instruments or data used to administer an academic examination.

9       Sec. 1137. From the funds appropriated in part 1 for special  
10 projects, up to \$100.00 may be allocated to support an Alzheimer's  
11 disease patient care training program involving a community college  
12 and a retirement community.

13       Sec. 1138. From the funds appropriated in part 1 for special  
14 projects, up to \$100.00 shall be allocated to the Ele's Place  
15 organization in Lansing.

16       Sec. 1139. From the funds appropriated in part 1 for prenatal  
17 care outreach and service delivery support, the department shall  
18 fund the nurse family partnership program.

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. The department shall ensure that individuals  
26 residing in rural communities have sufficient access to the

1 services offered through the WIC program. The department shall  
2 report to the legislature on its efforts to increase access to the  
3 WIC program in rural areas.

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

5 Sec. 1201. Funds appropriated in part 1 for medical care and  
6 treatment of children with special health care needs shall be paid  
7 according to reimbursement policies determined and published by the  
8 Michigan medical services administration.

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

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

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

14 (c) Provide medical care and treatment to eligible patients  
15 with hereditary coagulation defects, commonly known as hemophilia,  
16 who are 21 years of age or older.

17 Sec. 1203. All children who are determined medically eligible  
18 for the children's special health care services program shall be  
19 referred to the appropriate locally-based services program in their  
20 community.

21 Sec. 1204. The department shall work with the Michigan  
22 association of health plans to develop a plan for reimbursing and  
23 enrolling children into the Medicaid health plans for the  
24 children's special health care services program. The department  
25 shall report the results of this effort to the senate and house  
26 appropriations subcommittees on community health and the senate and

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

2       Sec. 1205. If the department determines that a family  
3 currently enrolled in the children's special health care services  
4 program is likely to qualify for Medicaid or MIChild coverage, the  
5 department shall request that the family complete the healthy kids  
6 application within 3 months after such request is made by the  
7 department. If the family fails or refuses to complete the healthy  
8 kids application within 3 months of the request, then the  
9 department shall deem the family ineligible for participation in  
10 the children's special health care services program.

#### 11 CRIME VICTIM SERVICES COMMISSION

12       Sec. 1302. From the funds appropriated in part 1 for justice  
13 assistance grants, up to \$200,000.00 shall be allocated for  
14 expansion of forensic nurse examiner programs to facilitate  
15 training for improved evidence collection for the prosecution of  
16 sexual assault. The funds shall be used for program coordination  
17 and training.

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

#### 24 OFFICE OF SERVICES TO THE AGING

25       Sec. 1401. The appropriation in part 1 to the office of

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

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

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

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

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

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

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

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

26 Sec. 1406. The appropriation of \$4,468,700.00 of merit award  
27 trust funds to the office of services to the aging for the respite



1 care program shall be allocated in accordance with a long-term care  
2 plan developed by the long-term care working group established in  
3 section 1657 of 1998 PA 336 upon implementation of the plan. The  
4 use of the funds shall be for direct respite care or adult respite  
5 care center services. Not more than 9% of the amount allocated  
6 under this section shall be expended for administration and  
7 administrative purposes.

8       Sec. 1413. Local counties may request to change membership in  
9 the area agencies on aging if the change is to an area agency on  
10 aging that is contiguous to that county pursuant to office of  
11 services to the aging policies and procedures for area agency on  
12 aging designation. The office of services to the aging shall adjust  
13 allocations to area agencies on aging to account for any changes in  
14 county 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.

19       Sec. 1417. The department shall provide to the senate and  
20 house appropriations subcommittees on community health, senate and  
21 house fiscal agencies, and state budget director a report by March  
22 30 of the current fiscal year that contains all of the following:

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

25       (b) Detail expenditure by each area agency on aging by  
26 individual program and administration including both state-funded  
27 resources and locally funded resources.

1           Sec. 1418. From the funds appropriated in part 1 for nutrition  
2 services, the department shall maximize funding for home-delivered  
3 meals to the extent allowable under federal law and regulation.

4           **MEDICAL SERVICES**

5           Sec. 1601. The cost of remedial services incurred by residents  
6 of licensed adult foster care homes and licensed homes for the aged  
7 shall be used in determining financial eligibility for the  
8 medically needy. Remedial services include basic self-care and  
9 rehabilitation training for a resident.

10          Sec. 1602. Medical services shall be provided to elderly and  
11 disabled persons with incomes less than or equal to 100% of the  
12 federal poverty level, pursuant to the state's option to elect such  
13 coverage set out at section 1902(a)(10)(A)(ii) and (m) of title XIX,  
14 42 USC 1396a.

15          Sec. 1603. (1) The department may establish a program for  
16 persons to purchase medical coverage at a rate determined by the  
17 department.

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

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

23               (4) The department shall modify program policies to permit  
24 individuals eligible for the transitional medical assistance plus  
25 program, as structured in fiscal year 2009-2010, to access medical  
26 assistance coverage through a 100% cost share.

1           Sec. 1604. (1) A Medicaid recipient shall remain eligible and  
2 a qualifying applicant shall be determined eligible for medical  
3 assistance during a period of incarceration or detention. Medicaid  
4 coverage is limited during such a period to off-site inpatient  
5 hospitalization only.

6           (2) A Medicaid recipient is considered incarcerated or  
7 detained until released on bail, released as not guilty, released  
8 on parole, released on probation, released on pardon, released upon  
9 completing a sentence, or released under home detention or tether.

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

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

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

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

1 select or remain with the Medicaid participating obstetrician of  
2 her choice.

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

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

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

27 (5) The department shall develop an enrollment process for

1 pregnant women covered under this section that facilitates the  
2 selection of a managed care plan at the time of application.

3 (6) The department shall mandate enrollment of women, whose  
4 qualifying condition is pregnancy, into Medicaid managed care  
5 plans.

6 (7) The department shall encourage physicians to provide  
7 women, whose qualifying condition for Medicaid is pregnancy, with a  
8 referral to a Medicaid participating dentist at the first  
9 pregnancy-related appointment.

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

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

1 in full.

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

8 Sec. 1620. (1) For fee-for-service recipients who do not  
9 reside in nursing homes, the pharmaceutical dispensing fee shall be  
10 \$2.75 or the pharmacy's usual or customary cash charge, whichever  
11 is less. For nursing home residents, the pharmaceutical dispensing  
12 fee shall be \$3.00 or the pharmacy's usual or customary cash  
13 charge, whichever is less.

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

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

1 price.

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

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

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

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

24       Sec. 1627. (1) The department shall use procedures and rebates  
25 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,  
26 to secure quarterly rebates from pharmaceutical manufacturers for  
27 outpatient drugs dispensed to participants in the MIChild program,

1 maternal outpatient medical services program, and children's  
2 special health care services.

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

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

10 Sec. 1630. Medicaid coverage for adult dental and podiatric  
11 services shall continue at not less than the level in effect on  
12 October 1, 2002, except that reasonable utilization limitations may  
13 be adopted in order to prevent excess utilization.

14 Sec. 1631. (1) The department shall require co-payments on  
15 dental, podiatric, and vision services provided to Medicaid  
16 recipients, except as prohibited by federal or state law or  
17 regulation.

18 (2) Except as otherwise prohibited by federal or state law or  
19 regulations, the department shall require Medicaid recipients to  
20 pay the following co-payments:

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

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

23 (c) Fifty dollars for the first day of an inpatient hospital  
24 stay.

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

26 Sec. 1633. By March 1 of the current fiscal year, the  
27 department shall report to the house and senate appropriations



1 subcommittees on community health, the house and senate fiscal  
2 agencies, and the state budget director on the feasibility of  
3 providing healthy kids dental coverage in cities rather than entire  
4 counties.

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

9       Sec. 1636. From the funds appropriated in part 1 for physician  
10 services and health plan services, the department shall continue  
11 the increase in Medicaid reimbursement rates for physician well  
12 child procedure codes and primary care procedure codes implemented  
13 in fiscal year 2006-2007 and fiscal year 2008-2009. The increased  
14 reimbursement rates in this section shall not exceed the comparable  
15 Medicare payment rate for the same services.

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

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

21       (a) That the recipient shall not smoke.

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

24       (c) That the recipient shall exercise regularly.

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

27       (e) That the recipient shall abstain from abusing controlled

1 substances and narcotics.

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

6       Sec. 1642. The department shall allow ambulatory surgery  
7 centers in this state to fully participate in the Medicaid program.

8       Sec. 1643. Of the funds appropriated in part 1 for graduate  
9 medical education in the hospital services and therapy line-item  
10 appropriation, not less than \$12,585,400.00 shall be allocated for  
11 the psychiatric residency training program that establishes and  
12 maintains collaborative relations with the schools of medicine at  
13 Michigan State University and Wayne State University if the  
14 necessary allowable Medicaid matching funds are provided by the  
15 universities.

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

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

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

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

26       Sec. 1651. (1) Medical services patients who are enrolled in  
27 HMOs have the choice to elect hospice services or other services

1 for the terminally ill that are offered by the HMOs. If the patient  
2 elects hospice services, those services shall be provided in  
3 accordance with part 214 of the public health code, 1978 PA 368,  
4 MCL 333.21401 to 333.21420.

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

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

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

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

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

26 (a) Continuity of care is assured by allowing enrollees to  
27 continue receiving required medically necessary services from their

1 current providers for a period not to exceed 1 year if enrollees  
2 meet the managed care medical exception criteria.

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

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

11 (d) Enrollment of recipients of children's special health care  
12 services in HMOs shall continue to be voluntary for those enrolled  
13 in the children's special health care services program. Children's  
14 special health care services recipients shall be informed of the  
15 opportunity to enroll in HMOs.

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

22 (f) Prior to contracting with an HMO for managed care services  
23 that did not have a contract with the department before October 1,  
24 2002, the department shall receive assurances from the office of  
25 financial and insurance regulation that the HMO meets the net worth  
26 and financial solvency requirements contained in chapter 35 of the  
27 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

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

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

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

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

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

24           Sec. 1657. (1) Reimbursement for medical services to screen  
25 and stabilize a Medicaid recipient, including stabilization of a  
26 psychiatric crisis, in a hospital emergency room shall not be made  
27 contingent on obtaining prior authorization from the recipient's

1 HMO. If the recipient is discharged from the emergency room, the  
2 hospital shall notify the recipient's HMO within 24 hours of the  
3 diagnosis and treatment received.

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

8 (3) Subsections (1) and (2) shall not be construed as a  
9 requirement to alter an existing agreement between an HMO and its  
10 contracting hospitals nor as a requirement that an HMO must  
11 reimburse for services that are not considered to be medically  
12 necessary.

13 Sec. 1658. (1) HMOs shall have contracts with hospitals within  
14 a reasonable distance from their enrollees. If a hospital does not  
15 contract with the HMO in its service area, that hospital shall  
16 enter into a hospital access agreement as specified in the Medical  
17 Services Administration Bulletin Hospital 01-19.

18 (2) A hospital access agreement specified in subsection (1)  
19 shall be considered an affiliated provider contract pursuant to the  
20 requirements contained in chapter 35 of the insurance code of 1956,  
21 1956 PA 218, MCL 500.3501 to 500.3580.

22 Sec. 1659. The following sections of this act are the only  
23 ones that shall apply to the following Medicaid managed care  
24 programs, including the comprehensive plan, MIChoice long-term care  
25 plan, and the mental health, substance abuse, and developmentally  
26 disabled services program: 271, 401, 402, 404, 411, 414, 418, 424,  
27 428, 456, 460, 474, 1204, 1607, 1650, 1651, 1652, 1653, 1654, 1655,

1 1656, 1657, 1660, 1661, 1662, 1679, 1681, 1684, 1688, 1689, 1690,  
2 1699, 1711, 1739, 1740, 1752, 1756, 1764, 1772, 1783, 1786, 1787,  
3 1815, 1816, 1819, 1820, 1821, 1822, 1824, 1826, and 1835.

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

8 (2) The primary responsibility of assuring a child's hearing  
9 and vision screening is with the child's primary care provider. The  
10 primary care provider shall provide age-appropriate screening or  
11 arrange for these tests through referrals to local health  
12 departments. Local health departments shall provide preschool  
13 hearing and vision screening services and accept referrals for  
14 these tests from physicians or from Head Start programs in order to  
15 assure all preschool children have appropriate access to hearing  
16 and vision screening. Local health departments shall be reimbursed  
17 for the cost of providing these tests for Medicaid eligible  
18 children by the Medicaid program.

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

22 (4) The department shall require HMOs to be responsible for  
23 well child visits as described in Medicaid policy. These  
24 responsibilities shall be specified in the information distributed  
25 by the HMOs to their members.

26 (5) The department shall provide, on an annual basis, budget-  
27 neutral incentives to Medicaid HMOs and local health departments to



1 improve performance on measures related to the care of children.

2       Sec. 1661. (1) The department shall assure that all Medicaid  
3 eligible children and pregnant women have timely access to MIHP  
4 services. Medicaid HMOs shall assure that MIHP screening is  
5 available to their pregnant members and that those women found to  
6 meet the MIHP high-risk criteria are offered maternal support  
7 services. Local health departments shall assure that MIHP screening  
8 is available for Medicaid pregnant women and that those women found  
9 to meet the MIHP high-risk criteria are offered MIHP services or  
10 are referred to a certified MIHP provider.

11       (2) The department shall require HMOs to be responsible for  
12 the coordination of MIHP services as described in Medicaid policy.  
13 These responsibilities shall be specified in the information  
14 distributed by the HMOs to their members.

15       (3) The department shall assure the coordination of MIHP  
16 services with the WIC program, state-supported substance abuse,  
17 smoking prevention, and violence prevention programs, the  
18 department of human services, and any other state or local program  
19 with a focus on preventing adverse birth outcomes and child abuse  
20 and neglect.

21       (4) The department shall provide, on an annual basis, budget-  
22 neutral incentives to Medicaid HMOs and local health departments to  
23 improve performance on measures related to the care of pregnant  
24 women.

25       Sec. 1662. (1) The department shall assure that an external  
26 quality review of each contracting HMO is performed that results in  
27 an analysis and evaluation of aggregated information on quality,

1 timeliness, and access to health care services that the HMO or its  
2 contractors furnish to Medicaid beneficiaries.

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

8 (3) The department shall provide a copy of the analysis of the  
9 Medicaid HMO annual audited health employer data and information  
10 set reports and the annual external quality review report to the  
11 senate and house of representatives appropriations subcommittees on  
12 community health, the senate and house fiscal agencies, and the  
13 state budget director, within 30 days of the department's receipt  
14 of the final reports from the contractors.

15 (4) The department shall work with the Michigan association of  
16 health plans and the Michigan association for local public health  
17 to improve service delivery and coordination in the MIHP and EPSDT  
18 programs.

19 (5) The department shall assure that training and technical  
20 assistance are available for EPSDT and MIHP for Medicaid health  
21 plans, local health departments, and MIHP contractors.

22 Sec. 1670. (1) The appropriation in part 1 for the MICHild  
23 program is to be used to provide comprehensive health care to all  
24 children under age 19 who reside in families with income at or  
25 below 200% of the federal poverty level, who are uninsured and have  
26 not had coverage by other comprehensive health insurance within 6  
27 months of making application for MICHild benefits, and who are

1 residents of this state. The department shall develop detailed  
2 eligibility criteria through the medical services administration  
3 public concurrence process, consistent with the provisions of this  
4 act. Health coverage for children in families between 150% and 200%  
5 of the federal poverty level shall be provided through a state-  
6 based private health care program.

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

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

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

23 (5) The department shall enter into a contract to obtain  
24 MIChild services from any HMO, dental care corporation, or any  
25 other entity that offers to provide the managed health care  
26 benefits for MIChild services at the MIChild capitated rate. As  
27 used in this subsection:

1 (a) "Dental care corporation", "health care corporation",  
2 "insurer", and "prudent purchaser agreement" mean those terms as  
3 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL  
4 550.52.

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

7 (6) The department may enter into contracts to obtain certain  
8 MIChild services from community mental health service programs.

9 (7) The department may make payments on behalf of children  
10 enrolled in the MIChild program from the line-item appropriation  
11 associated with the program as described in the MIChild state plan  
12 approved by the United States department of health and human  
13 services, or from other medical services.

14 (8) The department shall assure that an external quality  
15 review of each MIChild contractor, as described in subsection (5),  
16 is performed, which analyzes and evaluates the aggregated  
17 information on quality, timeliness, and access to health care  
18 services that the contractor furnished to MIChild beneficiaries.

19 (9) The department shall develop an automatic enrollment  
20 algorithm that is based on quality and performance factors.

21 Sec. 1671. From the funds appropriated in part 1, the  
22 department shall continue a comprehensive approach to the marketing  
23 and outreach of the MIChild program. The marketing and outreach  
24 required under this section shall be coordinated with current  
25 outreach, information dissemination, and marketing efforts and  
26 activities conducted by the department.

27 Sec. 1673. The department may establish premiums for MIChild

1 eligible persons in families with income above 150% of the federal  
2 poverty level. The monthly premiums shall not be less than \$10.00  
3 or exceed \$15.00 for a family.

4 Sec. 1677. The MICHild program shall provide all benefits  
5 available under the state employee insurance plan that are  
6 delivered through contracted providers and consistent with federal  
7 law, including, but not limited to, the following medically  
8 necessary services:

9 (a) Inpatient mental health services, other than substance  
10 abuse treatment services, including services furnished in a state-  
11 operated mental hospital and residential or other 24-hour  
12 therapeutically planned structured services.

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

16 (c) Durable medical equipment and prosthetic and orthotic  
17 devices.

18 (d) Dental services as outlined in the approved MICHild state  
19 plan.

20 (e) Substance abuse treatment services that may include  
21 inpatient, outpatient, and residential substance abuse treatment  
22 services.

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

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

26 (h) Emergency ambulance services.

27 Sec. 1678. The department shall explore the cost to implement

1 automatic enrollment in Medicaid or MICHild if the child meets all  
2 of the eligibility requirements for Medicaid or MICHild and meets  
3 the income eligibility criteria for free breakfast, lunch, or milk  
4 as determined under the Richard B. Russell national school lunch  
5 act, Public Law 79-396.

6       Sec. 1679. The department shall redetermine the mental health  
7 portion of the rates paid for the MICHild program based on the most  
8 recently available encounter data for MICHild enrollees. From the  
9 funds appropriated in part 1, the department shall pay CMHSPs rates  
10 sufficient to cover the cost of providing care to MICHild  
11 enrollees.

12       Sec. 1680. Payment increases for enhanced wages and new or  
13 enhanced employee benefits provided in previous years through the  
14 Medicaid nursing home wage pass-through program shall be continued.

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

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

1           (2) In addition to the appropriations in part 1, the  
2 department is authorized to receive and spend penalty money  
3 received as the result of noncompliance with medical services  
4 certification regulations. Penalty money, characterized as private  
5 funds, received by the department shall increase authorizations and  
6 allotments in the long-term care accounts.

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

12           (4) The department is authorized to use civil monetary penalty  
13 funds to conduct a survey evaluating consumer satisfaction and the  
14 quality of care at nursing homes. Factors can include, but are not  
15 limited to, the level of satisfaction of nursing home residents,  
16 their families, and employees. The department may use an  
17 independent contractor to conduct the survey.

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

20           Sec. 1683. The department shall promote activities that  
21 preserve the dignity and rights of terminally ill and chronically  
22 ill individuals. Priority shall be given to programs, such as  
23 hospice, that focus on individual dignity and quality of care  
24 provided persons with terminal illness and programs serving persons  
25 with chronic illnesses that reduce the rate of suicide through the  
26 advancement of the knowledge and use of improved, appropriate pain  
27 management for these persons; and initiatives that train health

1 care practitioners and faculty in managing pain, providing  
2 palliative care, and suicide prevention.

3 Sec. 1684. The department shall submit a report by September  
4 30 of the current fiscal year to the house and senate  
5 appropriations subcommittees on community health, the house and  
6 senate fiscal agencies, and the state budget director that will  
7 identify by waiver agent, Medicaid home- and community-based  
8 services waiver costs by administration, case management, and  
9 direct services.

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

20 Sec. 1687. If the patient protection and affordable care act,  
21 Public Law 111-148, is repealed or overturned, the department shall  
22 study the feasibility, impact, and cost of supporting a Medicaid  
23 rate enhancement to be used exclusively to fund affordable,  
24 accessible, and adequate health insurance for direct care workers  
25 in nursing homes, adult foster care homes, homes for the aged, and  
26 home- and community-based services programs. If a study is done  
27 under this section, the department shall report its findings and



1 recommendations to the senate and house appropriations  
2 subcommittees on community health and the senate and house fiscal  
3 agencies by April 1 of the current fiscal year.

4       Sec. 1688. The department shall not impose a limit on per unit  
5 reimbursements to service providers that provide personal care or  
6 other services under the Medicaid home- and community-based  
7 services waiver program for the elderly and disabled. The  
8 department's per day per client reimbursement cap calculated in the  
9 aggregate for all services provided under the Medicaid home- and  
10 community-based services waiver is not a violation of this section.

11       Sec. 1689. (1) Priority in enrolling additional persons in the  
12 Medicaid home- and community-based services waiver program shall be  
13 given to those who are currently residing in nursing homes or who  
14 are eligible to be admitted to a nursing home if they are not  
15 provided home- and community-based services. The department shall  
16 use screening and assessment procedures to assure that no  
17 additional Medicaid eligible persons are admitted to nursing homes  
18 who would be more appropriately served by the Medicaid home- and  
19 community-based services waiver program.

20       (2) Within 60 days of the end of each fiscal year, the  
21 department shall provide a report to the senate and house  
22 appropriations subcommittees on community health and the senate and  
23 house fiscal agencies that details existing and future allocations  
24 for the home- and community-based services waiver program by  
25 regions as well as the associated expenditures. The report shall  
26 include information regarding the net cost savings from moving  
27 individuals from a nursing home to the home- and community-based

1 services waiver program, the number of individuals transitioned  
2 from nursing homes to the home- and community-based services waiver  
3 program, the number of individuals on waiting lists by region for  
4 the program, and the amount of funds transferred during the fiscal  
5 year. The report shall also include the number of Medicaid  
6 individuals served and the number of days of care for the home- and  
7 community-based services waiver program and in nursing homes.

8 (3) The department shall develop a system to collect and  
9 analyze information regarding individuals on the home- and  
10 community-based services waiver program waiting list to identify  
11 the community supports they receive, including, but not limited to,  
12 adult home help, food assistance, and housing assistance services  
13 and to determine the extent to which these community supports help  
14 individuals remain in their home and avoid entry into a nursing  
15 home. The department shall provide a progress report on  
16 implementation to the senate and house appropriations subcommittees  
17 on community health and the senate and house fiscal agencies by  
18 June 1 of the current fiscal year.

19 (4) The department shall maintain any policies, guidelines,  
20 procedures, standards, and regulations in order to limit the self-  
21 determination option with respect to the home- and community-based  
22 services waiver program to those services furnished by approved  
23 home-based service providers meeting provider qualifications  
24 established in the waiver and approved by the centers for Medicare  
25 and Medicaid services.

26 Sec. 1690. (1) The department shall submit a report to the  
27 house and senate appropriations subcommittees on community health,

1 the house and senate fiscal agencies, and the state budget director  
2 by April 1 of the current fiscal year, to include all data  
3 collected on the quality assurance indicators in the preceding  
4 fiscal year for the home- and community-based services waiver  
5 program, as well as quality improvement plans and data collected on  
6 critical incidents in the waiver program and their resolutions.

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

15 Sec. 1691. Payment increases provided in previous years to  
16 adult home help workers shall be continued.

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

26 (2) From the funds appropriated in part 1 for medical services  
27 school-based services payments, the department is authorized to do

1 all of the following:

2 (a) Finance activities within the medical services  
3 administration related to this project.

4 (b) Reimburse participating school districts pursuant to the  
5 fund-sharing ratios negotiated in the state-local agreements  
6 authorized in subsection (1).

7 (c) Offset general fund costs associated with the medical  
8 services program.

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

15 (2) The department shall ensure that all public entities  
16 eligible for special Medicaid reimbursement that participate in the  
17 Medicaid program are aware of the existence of these programs.

18 Sec. 1694. The department shall distribute \$1,122,300.00 to an  
19 academic health care system that includes a children's hospital  
20 that has a high indigent care volume.

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

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

6           Sec. 1699. (1) The department may make separate payments  
7 directly to qualifying hospitals serving a disproportionate share  
8 of indigent patients in the amount of \$52,500,000.00, and to  
9 hospitals providing graduate medical education training programs.  
10 If direct payment for GME and DSH is made to qualifying hospitals  
11 for services to Medicaid clients, hospitals will not include GME  
12 costs or DSH payments in their contracts with HMOs.

13           (2) The department shall allocate \$45,000,000.00 in  
14 disproportionate share hospital funding using the distribution  
15 methodology used in fiscal year 2003-2004.

16           (3) The department shall allocate \$7,500,000.00 in  
17 disproportionate share hospital funding to unaffiliated hospitals  
18 and hospital systems that received less than \$900,000.00 in  
19 disproportionate share hospital payments in fiscal year 2007-2008  
20 based on a formula that is weighted proportional to the product of  
21 each eligible system's Medicaid revenue and each eligible system's  
22 Medicaid utilization, except that no payment of less than \$1,000.00  
23 shall be made.

24           (4) By September 30 of the current fiscal year, the department  
25 shall report to the senate and house appropriations subcommittees  
26 on community health and the senate and house fiscal agencies on the  
27 new distribution of funding to each eligible hospital from the 2

1 pools.

2           Sec. 1711. The department shall maintain the 2-tier  
3 reimbursement methodology for Medicaid emergency physicians  
4 professional services that was in effect on September 30, 2002.

5           Sec. 1712. (1) Subject to the availability of funds, the  
6 department shall implement a rural health initiative. Available  
7 funds shall first be allocated as an outpatient adjustor payment to  
8 be paid directly to hospitals in rural counties in proportion to  
9 each hospital's Medicaid and indigent patient population.  
10 Additional funds, if available, shall be allocated for  
11 defibrillator grants, emergency medical technician training and  
12 support, or other similar programs.

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

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

1 requested.

2       Sec. 1724. The department shall allow licensed pharmacies to  
3 purchase injectable drugs for the treatment of respiratory  
4 syncytial virus for shipment to physicians' offices to be  
5 administered to specific patients. If the affected patients are  
6 Medicaid eligible, the department shall reimburse pharmacies for  
7 the dispensing of the injectable drugs and reimburse physicians for  
8 the administration of the injectable drugs.

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

14       Sec. 1732. The department shall assure that, if proposed  
15 modifications to the quality assurance assessment program for  
16 nursing homes are not implemented, the projected general  
17 fund/general purpose savings shall not be achieved through  
18 reductions in nursing home reimbursement rates.

19       Sec. 1734. The department shall seek federal money for  
20 demonstration programs that will permit this state to provide  
21 financial incentives for positive health behavior practiced by  
22 Medicaid recipients, including, but not limited to, consumer-driven  
23 strategies that enable Medicaid recipients to choose coverage that  
24 meets their individual needs and that authorize monetary or other  
25 rewards for demonstrating positive health behavior changes.

26       Sec. 1739. The department shall continue the contractor  
27 performance bonus program for Medicaid health plans. The contractor

1 performance bonus program may include indicators based on the  
2 prevalent and chronic conditions affecting the Medicaid population  
3 and indicators of preventive health status for adults and children.

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

9 Sec. 1741. The department shall continue to provide nursing  
10 homes the opportunity to receive interim payments upon their  
11 request. The department shall make efforts to ensure that the  
12 interim payments are as similar to expected cost-settled payments  
13 as possible.

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

18 Sec. 1756. The department shall establish and implement a  
19 specialized case and care management program to serve the most  
20 costly Medicaid beneficiaries who are noncompliant with medical  
21 management, including persons with chronic diseases and mental  
22 health diagnoses, high prescription drug utilizers, members  
23 demonstrating noncompliance with previous medical management, and  
24 neonates. The case and care management program shall, at a minimum,  
25 provide a performance payment incentive for physicians who manage  
26 the recipient's care and health costs in the most effective way.  
27 The department may also develop additional contractual arrangements



1 with 1 or more Medicaid HMOs for the provision of specialized case  
2 management services. Contracts with Medicaid HMOs may include  
3 provisions requiring collection of data related to Medicaid  
4 recipient compliance. Measures of patient compliance may include  
5 the proportion of clients who fill their prescriptions, the rate of  
6 clients who do not show for scheduled medical appointments, and the  
7 proportion of clients who use their medication.

8       Sec. 1757. (1) The department shall direct the department of  
9 human services to obtain proof from all Medicaid recipients that  
10 they are legal United States citizens or otherwise legally residing  
11 in this country and that they are residents of this state before  
12 approving Medicaid eligibility.

13       (2) It is the intent of the legislature that the department  
14 seek clarification from the federal government on whether states  
15 can deny Medicaid eligibility to fugitive felons through a state  
16 plan amendment or waiver. The department shall report to the  
17 legislature on the results of this effort.

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 and senate  
22 appropriations subcommittees on community health and the house and  
23 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. Upon release of the data  
2 by the centers for Medicare and Medicaid services, the department  
3 shall submit a report of its study to the senate and house  
4 appropriations subcommittees on community health and the senate and  
5 house fiscal agencies. If the department finds that there is a  
6 negative impact on the pharmacists, the department shall reexamine  
7 the current pharmaceutical dispensing fee structure established  
8 under section 1620 and include in the report recommendations and  
9 proposals to counter the negative impact of that federal  
10 legislation.

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

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

26       Sec. 1773. (1) The department shall establish and implement a  
27 bid process to identify a single private contractor to provide

1 Medicaid covered nonemergency transportation services in each  
2 county with a population over 750,000 individuals.

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

5 Sec. 1775. The department shall provide a progress report on  
6 ongoing efforts to implement long-term managed care initiatives to  
7 the senate and house appropriations subcommittees on community  
8 health and the senate and house fiscal agencies by June 1 of the  
9 current fiscal year.

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

17 Sec. 1783. (1) The department shall develop rates by April 1  
18 of the current fiscal year for the enrollment of individuals dually  
19 eligible for Medicare and Medicaid into Medicaid health plans if  
20 those health plans also maintain a Medicare advantage special needs  
21 plan certified by the centers for Medicare and Medicaid services.

22 (2) The department shall report quarterly to the house and  
23 senate appropriations subcommittees on community health and to the  
24 house and senate fiscal agencies the status of the rate development  
25 described in subsection (1) and the number of dual eligibles  
26 enrolled by month in Medicaid health plans with Medicare advantage  
27 special needs plan certification for the current fiscal year.

1           Sec. 1786. The department shall convene a workgroup to  
2 consider reimbursement changes for hospital admissions of less than  
3 24 hours. The workgroup shall include at a minimum the Michigan  
4 association of health plans and the Michigan health and hospital  
5 association. Any changes adopted by the department must be budget  
6 neutral.

7           Sec. 1787. The department shall require the managed care  
8 enrollment broker to maintain telephone numbers of Medicaid  
9 beneficiaries and provide each Medicaid health plan with the  
10 telephone number of that health plan's enrollees on a monthly  
11 basis.

12           Sec. 1802. The department may spend up to \$100,000.00 on a  
13 pilot program targeting Medicaid recipients with certain high-cost  
14 or complex health conditions. This pilot shall provide financial  
15 incentives to primary care physicians to handle disease management  
16 responsibilities for these Medicaid recipients.

17           Sec. 1804. The department, in cooperation with the department  
18 of human services, shall work with the federal public assistance  
19 reporting information system to identify Medicaid recipients who  
20 are veterans and who may be eligible for federal veterans health  
21 care benefits or other benefits.

22           Sec. 1812. From the funds appropriated in part 1 for medical  
23 services administration, up to \$100.00 may be allocated to support  
24 a pilot project to develop a regional health care resource sharing  
25 network. By encouraging collaboration and partnerships between  
26 local hospitals, this network is expected to enable each hospital  
27 to maintain independence and community control while sharing best

1 practices and resources. The pilot shall be designed to improve  
2 access, improve patient outcomes, and lower costs in a medical home  
3 model. The region for the pilot shall encompass 22 counties and  
4 have 10 hospitals.

5       Sec. 1815. From the funds appropriated in part 1 for health  
6 plan services, the department may not implement a capitation  
7 withhold as part of the overall capitation rate schedule that  
8 exceeds the 0.19% withhold administered during fiscal year 2008-  
9 2009.

10       Sec. 1816. The department shall work with the Michigan  
11 association of health plans to develop and implement strategies for  
12 the use of information technology services for claims payment,  
13 claims status, and related functions.

14       Sec. 1817. The department shall report to the legislature on  
15 implementation of a policy that will prohibit billing for care made  
16 necessary by preventable medical errors or adverse health events no  
17 later than April 1 of the current fiscal year.

18       Sec. 1819. The department shall use Medicaid health plan  
19 encounter data in the development and revision of hospital  
20 diagnosis related group pricing policy.

21       Sec. 1820. The department shall recognize accrediting  
22 organizations for Medicaid health plans and shall consider  
23 accreditation results when reviewing the performance of Medicaid  
24 health plans.

25       Sec. 1821. The department shall establish appropriate  
26 performance standards for Medicaid health plans 6 months in advance  
27 of the application of those standards. The determination of

1 performance shall be based on and include such recognized concepts  
2 as 1-year continuous enrollment and healthcare effectiveness data  
3 and information set audited data.

4       Sec. 1822. The department, the department's contracted  
5 Medicaid pharmacy benefit manager, and all Medicaid health plans  
6 shall implement coverage for a mental health prescription drug  
7 within 30 days of that drug's approval by the department's pharmacy  
8 and therapeutics committee.

9       Sec. 1824. Individuals who live in homes for the aged or adult  
10 foster care facilities shall be eligible to apply for enrollment  
11 for services from the home- and community-based waiver program.

12       Sec. 1826. The department shall develop a plan to expand and  
13 improve the beneficiary monitoring program. This plan shall include  
14 cost-effective methods to monitor and reduce unnecessary health  
15 care services, including prescription drugs, improve coordination  
16 of services between the primary care physician and mental health  
17 and substance abuse service providers, and improve compliance with  
18 prescribed medical management to reduce more costly use of  
19 emergency services. The department shall submit this plan to the  
20 house and senate appropriations subcommittees on community health,  
21 the house and senate fiscal agencies, and the state budget director  
22 by April 1 of the current fiscal year.

23       Sec. 1829. Notwithstanding the removal of coverage for certain  
24 optional Medicaid services, the department shall continue its  
25 policy of providing coverage for emergency services. For this  
26 purpose, the department shall continue to adhere to the guidelines  
27 outlined in medical services administration policy bulletin MSA 09-

1 28.

2           Sec. 1832. (1) The department shall continue efforts to  
3 standardize billing formats, referral forms, electronic  
4 credentialing, primary source verification, electronic billing and  
5 attachments, claims status, eligibility verification, and reporting  
6 of accepted and rejected encounter records received in the  
7 department data warehouse.

8           (2) The department shall convene a workgroup on making e-  
9 billing mandatory for the Medicaid program. The workgroup shall  
10 include representatives from medical provider organizations,  
11 Medicaid HMOs, and the department. The department shall report to  
12 the legislature on the findings of the workgroup by April 1 of the  
13 current fiscal year.

14           (3) The department shall provide a report by April 1 of the  
15 current fiscal year to the senate and house appropriations  
16 subcommittees on community health and the senate and house fiscal  
17 agencies detailing the percentage of claims for Medicaid  
18 reimbursement provided to the department that were initially  
19 rejected in the first quarter of fiscal year 2010-2011.

20           Sec. 1834. Individuals dually eligible for Medicaid and  
21 Medicare who are enrolled in a Medicare advantage special needs  
22 plan shall be eligible for services provided through the home- and  
23 community-based waiver program.

24           Sec. 1835. The department shall develop and implement  
25 processes to report rejected and accepted encounters to Medicaid  
26 health plans. Medicaid health plans shall be permitted to report  
27 additional medical records data obtained during medical record

1 audits to the encounter warehouse consistent with Medicare  
2 guidelines.

3       Sec. 1836. In addition to the guidelines established in  
4 medical services administration bulletin MSA 09-28, medically  
5 necessary optical devices and other treatment services for adult  
6 Medicaid patients shall be covered when conventional treatments do  
7 not provide functional vision correction. Such ocular conditions  
8 include, but are not limited to, congenital or acquired ocular  
9 disease or eye trauma.

10       Sec. 1837. The department shall explore utilization of  
11 telemedicine as a strategy to increase access to primary care  
12 services for Medicaid recipients in medically underserved areas.

13       Sec. 1838. (1) The department shall convene a workgroup  
14 consisting of nursing home provider representatives, including  
15 aging services of Michigan, the health care association of  
16 Michigan, and the Michigan county medical care facilities council,  
17 to identify possible budget-neutral changes in reimbursement for  
18 long-term care facilities. This workgroup shall first develop a  
19 case mix adjustment system to establish a level playing field for  
20 other possible reimbursement changes. These changes may include the  
21 provision of incentive payments to long-term care facilities  
22 considering measures of service quality, cost efficiency, volume of  
23 Medicaid beneficiaries served, and demonstrated commitment to  
24 underserved areas of the state or by examining the current long-  
25 term care reimbursement system and reviewing alternative  
26 reimbursement methodologies, or both.

27       (2) The department shall provide an update on the efforts of



1 the workgroup required in subsection (1) with its presentation of  
2 the executive budget recommendation to the senate and house  
3 appropriations subcommittees on community health.

4       Sec. 1839. (1) The department shall work with relevant parties  
5 to explore the feasibility of seeking a modification of the  
6 demonstration waiver authorizing the Medicaid adult benefits waiver  
7 to expand physical and mental health coverage to childless adults  
8 with serious mental illness.

9       (2) The department shall provide an update of the findings  
10 associated with the requirements in subsection (1), including an  
11 estimate of any change in program general fund/general purpose cost  
12 and the number of individuals accessing physical health insurance,  
13 with its presentation of the executive budget recommendation to the  
14 senate and house appropriations subcommittees on community health.

15       Sec. 1841. The department shall report to the legislature on  
16 the fiscal impact of federal health reform legislation that has  
17 been implemented on the department's budget. This report shall be  
18 provided to the senate and house appropriations subcommittees on  
19 community health and the senate and house fiscal agencies by April  
20 1 of the current fiscal year.

21       Sec. 1842. (1) Subject to the availability of funds, the  
22 department shall adjust the hospital outpatient Medicaid  
23 reimbursement rate for qualifying hospitals as provided in this  
24 section. The Medicaid reimbursement rate for qualifying hospitals  
25 shall be adjusted to provide each qualifying hospital with its  
26 actual cost of delivering outpatient services to Medicaid  
27 recipients.

1           (2) As used in this section, "qualifying hospital" means a  
2 hospital that has not more than 50 staffed beds and is either  
3 located outside a metropolitan statistical area or in a  
4 metropolitan statistical area but within a city, village, or  
5 township with a population of not more than 12,000 according to the  
6 official 2000 federal decennial census and within a county with a  
7 population of not more than 165,000 according to the official 2000  
8 federal decennial census.

9           Sec. 1843. The department shall explore the possibility of  
10 Medicaid reimbursement for wellness therapies that are designed to  
11 lower the state's cost for Medicaid physical therapy. As used in  
12 this section, "wellness therapies" includes, but is not limited to,  
13 nutrition counseling, smoking cessation, support groups, and  
14 lifestyle management.

15           Sec. 1844. If 2 or more vendors submit substantially similar  
16 bids in the bidding process for health information technology  
17 contracts that are proposed by the department and supported with  
18 ARRA funds, the department shall give preference, as permitted by  
19 law, to vendors established in this state.

20           Sec. 1846. Contingent upon federal approval, the department  
21 shall create a 1-time pool for distribution of disproportionate  
22 share hospital funding. The pool, totaling \$27,000,000.00, shall be  
23 used to increase the existing outpatient uncompensated care pool to  
24 \$87,000,000.00.