



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2012-13 Year-to-Date Gross Appropriation	\$15,033,003,600
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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| 1. Actuarial Soundness Adjustments. Conference reflected agreed-upon actuarial soundness adjustments for physical and mental health managed care entities, at a cost of \$37.9 million GF/GP. | 112,546,900 |
| 2. Medicaid Primary Care Rates. Conference annualized funding to reflect the Federal requirement that states reimburse Medicaid primary care providers at Medicare rates from January 1, 2013 through December 31, 2014. | 103,200,000 |
| 3. Medicaid Expansion Proposal. Conference did not include the Governor's proposal to expand the Medicaid program to all those up to 133% of the Federal poverty level. | 0 |
| 4. Quality Assurance Assessment Program (QAAP) Adjustments. Conference included non-GF/GP adjustments to the hospital and nursing home QAAP-related payments. | 68,439,700 |
| 5. Medicaid Program Enhancements. Conference included \$17.5 million Gross, \$5.9 million GF/GP to increase the Home and Community Based Waiver program and \$20.5 million Gross, \$6.9 million GF/GP to expand autism spectrum services. | 37,958,200 |
| 6. Economic Adjustments. Includes net of \$1,944,800 for OPEB. Total of \$7.3 million GF/GP. | 16,308,500 |
| 7. Other Changes. Other changes, including adjustments to available Federal funds, led to a slight decrease in spending. | (6,761,700) |

Conference Agreement on Items of Difference

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| 8. Medicaid Base. Conference reflected the consensus Medicaid expenditure consensus, with a small GF/GP cost increase of \$5.8 million. | 14,914,900 |
| 9. New Programs. Conference funded new programs, including three infant mortality initiatives, mental health jail diversion, health innovation grants, and a health care transformation office. Total cost of \$6.2 million GF/GP. | 4,580,800 |
| 10. Program Enhancements. Conference funded an expansion of Healthy Kids Dental to Ingham, Ottawa, and Washtenaw Counties (\$3.9 million GF/GP) and increases to health and wellness initiatives, the Michigan Essential Health provider program, local public health, lead abatement, traumatic brain injury services, and senior nutrition. | 18,143,000 |
| 11. FY 2013-14 One-Time Appropriations. Conference shifted \$3.0 million in one-time Community Mental Health special populations to ongoing, eliminated one-time lump sum payouts, reduced computerization funding by \$700,000 GF/GP, eliminated \$5.0 million in health and wellness funding, provided \$2.0 million funding for autism centers and \$5.0 million in funding for mental health innovations. | (16,985,300) |

Total Changes	\$352,345,000
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$15,385,348,600
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Community Mental Health (CMH) Contractual Requirements and Reporting.** Conference retained long-standing language on CMH contracts and requiring CMHs to report data to the Department and the Legislature (Secs. 401, 402, and 404).

Conference Agreement on Items of Difference

2. **Michigan/Illinois Medicaid Management Information System (MMIS) Project.** Conference included House language allocating an estimated \$20.0 million in revenue that will be paid by the State of Illinois to Michigan to cover the costs of using the Michigan MMIS as a platform (Sec. 298).
3. **Fetal Alcohol Syndrome.** Conference included revised Senate language directing Department to explore developing an outreach program with an April 1 report on efforts to combat fetal alcohol syndrome (Sec. 502).
4. **Fish Advisory.** Conference included Senate language requiring an October 1 report with specific information on scientific basis for the fish advisory decisions (Sec. 650).
5. **Blue Cross Endowment Fund.** Conference included revised Senate language directing Department to work with the endowment fund established in the Blue Cross legislation to explore ways to expand health and wellness programs (Sec. 651).
6. **MiChild Program.** Conference included revised House language directing the Department to contract with Medicaid health plans to provide services to MiChild enrollees, with allowances for contractual services by other providers where applicable (Sec. 1670).
7. **Rural/Sole Community Hospital Pool.** Conference revised language on a \$12.0 million GF/GP rural/sole community hospital pool to limit criteria used and direct Department to provide criteria used to hospitals (Sec. 1866).
8. **Graduate Medical Education (GME).** Conference included Senate language requiring Department to work with medical school affiliated faculty practice groups to create a Michigan GME consortium, and requires consortium to provide a plan to the Legislature by March 31. Language directs Department to explore seeking waiver to implement a program similar to the Utah Medicare GME demonstration project (Sec. 1870).
9. **Enrollment of Newborns in Managed Care.** Conference included Senate language directing Department to create default enrollment determination so newborns are assigned to same health plan as mother (Sec. 1881).

Date Completed: 5-28-13

Fiscal Analyst: Steve Angelotti