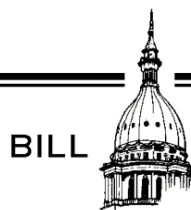




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 198 (S-1 as passed by the Senate)
 Committee: Appropriations

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| FY 2012-13 Year-to-Date Gross Appropriation | \$15,037,193,600 |
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Changes from FY 2012-13 Year-to-Date:

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|---|--------------|
| 1. Decrease in Base FMAP Rate. The base Medicaid FMAP will decrease from 66.39% in FY 2012-13 to 66.32% in FY 2013-14, leading to increased costs of \$6.9 million GF/GP. | 0 |
| 2. Medicaid Base Funding. Senate concurred with Governor's base adjustments for Medicaid and related programs, increasing GF/GP costs by \$13.2 million. | 20,603,600 |
| 3. Actuarial Soundness Adjustments. Senate concurred with Governor's included actuarial soundness adjustments for Pre-paid Inpatient Health Plans and Medicaid Health Maintenance Organizations, at a cost of \$37.9 million GF/GP. | 112,546,900 |
| 4. Hospital Michigan Access to Care Initiative (MACI) Payments. Senate concurred with Governor's increase in hospital tax funded MACI payments, with no GF/GP cost. | 75,039,700 |
| 5. Medicaid Primary Care Rates. Senate annualized the January 1, 2013 implementation of a Federal requirement that states reimburse Medicaid providers for primary care services at Medicare rates. | 103,200,000 |
| 6. Restoration of Governor's Proposed Reductions. Senate rejected Governor's proposed cuts to special populations (\$3.0 million GF/GP), Harper/Hutzel Hospital (\$6.7 million GF/GP), and graduate medical education (\$1.45 million GF/GP). | 0 |
| 7. Healthy Kids Dental Expansion. Senate concurred with Governor's proposed funding, but did not specify the new counties to be covered (\$3.9 million GF/GP). | 11,643,000 |
| 8. Senate Initiatives. Senate included non-placeholder funding for several initiatives including a parenting pilot, in-home infant mortality reduction services, Eastern Michigan, Western Michigan, and Oakland University autism centers, Central Michigan lending library, and loan repayment for providers in underserved areas (\$2.6 million GF/GP). | 4,600,000 |
| 9. Governor's Initiatives. Senate funded a veterans' mental health initiative (\$60,000) and included placeholders for other initiatives including health and wellness, mental health innovations, health innovations, infant mortality, and a Medicaid transformation office. | 60,700 |
| 10. Medicaid Expansion. Senate did not include the Governor's proposal to expand Medicaid. | 0 |
| 11. Economic Adjustments. Includes \$1,944,800 Gross and \$1,103,900 GF/GP for OPEB and \$14,356,700 Gross and \$6,154,900 GF/GP for other economic adjustments. | 16,301,500 |
| 12. Other Changes. Other changes, mostly technical adjustments, resulted in a reduction in spending. Senate recognized \$51.1 million more in Merit Award Trust Fund revenue and \$13.4 million more in Medicaid Benefits Trust Fund revenue, off setting GF/GP. | (15,937,100) |
| 13. Comparison to Governor's Recommendation. Largely due to the decision not to include the Medicaid expansion, the Senate is \$1,268,999,100 Gross under and \$119,210,500 GF/GP over the Governor's Recommendation. | |

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| Total Changes | \$328,058,300 |
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| FY 2013-14 Senate-Passed Gross Appropriation | \$15,365,251,900 |
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Changes from FY 2012-13 Year-to-Date:

1. **Mental Health Services for Deaf and Hard of Hearing.** Senate changed language to direct Department to "continue efforts to" address the needs of this population (Sec. 499).
2. **Fetal Alcohol Syndrome.** Senate included new language directing Department to develop an outreach program with an April 1 report on efforts to combat fetal alcohol syndrome (Sec. 502).
3. **Fish Advisory.** Senate included rewritten language requiring an October 1 report with specific information on scientific basis for the fish advisory decisions (Sec. 650).
4. **Diabetes/Kidney Services.** Senate included new language directing Department to work with the endowment fund established in the Blue Cross legislation to explore ways to expand health and wellness programs, particularly those dealing with diabetes and kidney disease (Sec. 651).
5. **Children's Special Health Care Services (CSHCS) and Telemedicine.** Senate included language authorizing Department to spend up to \$500,000 to support and expand use of telemedicine for CSHCS families to access specialists (Sec. 1205).
6. **Reporting of Medical Encounters to the Data Warehouse.** Senate added sentence permitting health plans to submit additional medical records to data warehouse pursuant to Medicare guidelines (Sec. 1835).
7. **Graduate Medical Education (GME).** Senate included new 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).
8. **Home/Community Based Services.** New language permitting Department to seek to expand home and community based services and seek enhanced match pursuant to Federal law (Sec. 1875).
9. **Alternative Design and Funding Models for Medicaid.** New language directing Department to explore requesting a waiver to implement alternative design and funding models for Medicaid (Sec. 1877).
10. **Health Plan Contract Standards.** New language directing Department to establish contract performance standards in advance of application of those standards and directs that performance determination be based on concepts including continuous enrollment and HEDIS audited data (Sec. 1880).
11. **Enrollment of Newborns in Managed Care.** New language directing Department to create default enrollment determination so newborns are assigned to same health plan as mother (Sec. 1881).

Date Completed: 5-17-13

Fiscal Analyst: Steve Angelotti