

## FIRST CONFERENCE REPORT

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

Senate Bill No. 198, entitled

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

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

(attached)

Third: 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 for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

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John Moolenaar

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Matt Lori

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Roger Kahn

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Rob VerHeulen

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Vincent Gregory

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Rashida Tlaib

Conferees for the Senate

Conferees for the House



**SUBSTITUTE FOR  
SENATE BILL NO. 198**

A bill to make appropriations for the department of community health for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

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

**1** PART 1

**2** LINE-ITEM APPROPRIATIONS

**3**       Sec. 101. There is appropriated for the department of  
**4** community health for the fiscal year ending September 30, 2014,  
**5** from the following funds:

**6**   **DEPARTMENT OF COMMUNITY HEALTH**

**7**   **APPROPRIATION SUMMARY**

<b>8</b>	Full-time equated unclassified positions.....	6.0
<b>9</b>	Full-time equated classified positions.....	3,585.6
<b>10</b>	Average population .....	893.0

1	GROSS APPROPRIATION.....	\$ 15,385,348,600
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers .....	10,056,100
5	ADJUSTED GROSS APPROPRIATION.....	\$ 15,375,292,500
6	Federal revenues:	
7	Total federal revenues.....	9,896,101,600
8	Social security act, temporary assistance for needy	
9	families .....	19,545,400
10	Special revenue funds:	
11	Total local revenues.....	251,820,200
12	Total private revenues.....	126,342,400
13	Merit award trust fund.....	85,834,700
14	Total other state restricted revenues.....	2,079,601,100
15	State general fund/general purpose.....	\$ 2,916,047,100
16	<b>Sec. 102. DEPARTMENTWIDE ADMINISTRATION</b>	
17	Full-time equated unclassified positions..... 6.0	
18	Full-time equated classified positions..... 186.7	
19	Director and other unclassified--6.0 FTE positions ...	\$ 707,000
20	Departmental administration and management--176.7 FTE	
21	positions .....	26,250,700
22	Worker's compensation program.....	6,963,000
23	Rent and building occupancy.....	9,791,300
24	Developmental disabilities council and projects--10.0	
25	FTE positions .....	<u>3,024,700</u>
26	GROSS APPROPRIATION.....	\$ 46,736,700
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	15,196,600
3	Special revenue funds:	
4	Total private revenues.....	35,200
5	Total other state restricted revenues.....	792,700
6	State general fund/general purpose.....	\$ 30,712,200
7	<b>Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION</b>	
8	<b>AND SPECIAL PROJECTS</b>	
9	Full-time equated classified positions..... 104.0	
10	Behavioral health program administration--103.0 FTE	
11	positions .....	\$ 19,689,400
12	Gambling addiction--1.0 FTE position.....	3,002,800
13	Protection and advocacy services support .....	194,400
14	Community residential and support services .....	992,100
15	Federal and other special projects .....	3,111,200
16	Family support subsidy.....	19,364,900
17	Housing and support services .....	<u>11,322,500</u>
18	GROSS APPROPRIATION.....	\$ 57,677,300
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	19,926,000
22	Social security act, temporary assistance for needy	
23	families .....	19,545,400
24	Special revenue funds:	
25	Total private revenues.....	200,000
26	Total other state restricted revenues.....	3,002,800
27	State general fund/general purpose.....	\$ 15,003,100

1	<b>Sec. 104. BEHAVIORAL HEALTH SERVICES</b>	
2	Full-time equated classified positions.....	9.5
3	Medicaid mental health services.....	\$ 2,152,917,100
4	Community mental health non-Medicaid services.....	283,688,700
5	Medicaid adult benefits waiver.....	31,989,600
6	Mental health services for special populations.....	8,842,800
7	Medicaid substance abuse services.....	46,184,400
8	CMHSP, purchase of state services contracts.....	137,761,600
9	Civil service charges.....	1,499,300
10	Federal mental health block grant--2.5 FTE positions .	15,440,000
11	State disability assistance program substance abuse	
12	services .....	2,018,800
13	Community substance abuse prevention, education, and	
14	treatment programs .....	80,093,000
15	Children's waiver home care program.....	21,544,900
16	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,252,100
17	Children with serious emotional disturbance waiver...	<u>12,651,000</u>
18	GROSS APPROPRIATION.....	\$ 2,806,883,300
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of human	
22	services .....	6,194,900
23	Federal revenues:	
24	Total federal revenues.....	1,595,325,300
25	Special revenue funds:	
26	Total local revenues.....	25,228,900
27	Total other state restricted revenues.....	22,276,700

1	State general fund/general purpose .....	\$ 1,157,857,500
2	<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC</b>	
3	<b>MENTAL HEALTH SERVICES</b>	
4	Total average population .....	893.0
5	Full-time equated classified positions.....	2,130.9
6	Caro Regional Mental Health Center - psychiatric	
7	hospital - adult--461.3 FTE positions.....	\$ 55,019,700
8	Average population .....	185.0
9	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
10	positions .....	63,649,300
11	Average population .....	189.0
12	Walter P. Reuther Psychiatric Hospital - adult--420.8	
13	FTE positions .....	54,087,000
14	Average population .....	234.0
15	Hawthorn Center - psychiatric hospital - children and	
16	adolescents--226.4 FTE positions.....	28,433,800
17	Average population .....	75.0
18	Center for forensic psychiatry--556.3 FTE positions..	71,187,800
19	Average population .....	210.0
20	Revenue recapture.....	750,000
21	IDEA, federal special education.....	120,000
22	Special maintenance.....	332,500
23	Purchase of medical services for residents of	
24	hospitals and centers .....	445,600
25	Gifts and bequests for patient living and treatment	
26	environment .....	<u>1,000,000</u>
27	GROSS APPROPRIATION.....	\$ 275,025,700

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	34,529,300
4	Special revenue funds:	
5	CMHSP, purchase of state services contracts.....	137,761,600
6	Other local revenues.....	19,163,800
7	Total private revenues.....	1,000,000
8	Total other state restricted revenues.....	16,733,800
9	State general fund/general purpose.....	\$ 65,837,200
10	<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>	
11	Full-time equated classified positions.....	102.9
12	Public health administration--7.3 FTE positions.....	\$ 1,549,500
13	Health and wellness initiatives--11.7 FTE positions..	8,189,800
14	Minority health grants and contracts--2.5 FTE	
15	positions .....	612,700
16	Vital records and health statistics--81.4 FTE	
17	positions .....	<u>11,370,600</u>
18	GROSS APPROPRIATION.....	\$ 21,722,600
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of human	
22	services .....	1,199,200
23	Federal revenues:	
24	Total federal revenues.....	4,224,400
25	Special revenue funds:	
26	Total other state restricted revenues.....	11,970,700
27	State general fund/general purpose.....	\$ 4,328,300



1       **Sec. 107. HEALTH POLICY**

2	Full-time equated classified positions.....	64.8	
3	Emergency medical services program--23.0 FTE positions	\$	6,187,400
4	Health policy administration--24.1 FTE positions .....		4,377,600
5	Health innovation grants.....		1,500,000
6	Nurse education and research program--3.0 FTE		
7	positions .....		769,900
8	Certificate of need program administration--12.3 FTE		
9	positions .....		2,763,700
10	Rural health services--1.0 FTE position.....		1,531,500
11	Michigan essential health provider.....		2,491,300
12	Primary care services--1.4 FTE positions.....		<u>3,731,300</u>
13	GROSS APPROPRIATION.....	\$	23,352,700
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	Interdepartmental grant from the department of		
17	licensing and regulatory affairs.....		2,066,400
18	Interdepartmental grant from the department of		
19	treasury, Michigan state hospital finance authority.		114,900
20	Federal revenues:		
21	Total federal revenues.....		7,164,000
22	Special revenue funds:		
23	Total private revenues.....		255,000
24	Total other state restricted revenues.....		7,536,600
25	State general fund/general purpose.....	\$	6,215,800
26	<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>		
27	Full-time equated classified positions.....		49.5

1	AIDS prevention, testing, and care programs--15.7 FTE	
2	positions .....	\$ 69,164,400
3	Immunization program--12.8 FTE positions .....	14,999,000
4	Pediatric AIDS prevention and control--1.0 FTE	
5	position .....	1,233,100
6	Sexually transmitted disease control program--20.0 FTE	
7	positions .....	<u>6,213,800</u>
8	GROSS APPROPRIATION.....	\$ 91,610,300
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	42,783,000
12	Special revenue funds:	
13	Total private revenues.....	38,278,400
14	Total other state restricted revenues.....	7,696,700
15	State general fund/general purpose.....	\$ 2,852,200
16	<b>Sec. 109. LABORATORY SERVICES</b>	
17	Full-time equated classified positions..... 100.0	
18	Laboratory services--100.0 FTE positions.....	\$ <u>18,167,000</u>
19	GROSS APPROPRIATION.....	\$ 18,167,000
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	Interdepartmental grant from the department of	
23	environmental quality .....	480,700
24	Federal revenues:	
25	Total federal revenues.....	2,271,300
26	Special revenue funds:	
27	Total other state restricted revenues.....	8,728,000

1	State general fund/general purpose .....	\$	6,687,000
2	<b>Sec. 110. EPIDEMIOLOGY</b>		
3	Full-time equated classified positions.....	115.1	
4	AIDS surveillance and prevention program .....	\$	2,254,100
5	Bioterrorism preparedness--55.0 FTE positions .....		35,466,400
6	Epidemiology administration--41.6 FTE positions .....		12,257,200
7	Healthy homes program--8.0 FTE positions .....		4,212,400
8	Newborn screening follow-up and treatment services--		
9	10.5 FTE positions .....		6,026,100
10	Tuberculosis control and prevention .....		<u>867,000</u>
11	GROSS APPROPRIATION .....	\$	61,083,200
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues .....		50,165,300
15	Special revenue funds:		
16	Total private revenues .....		238,000
17	Total other state restricted revenues .....		7,416,800
18	State general fund/general purpose .....	\$	3,263,100
19	<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>		
20	Full-time equated classified positions.....	2.0	
21	Essential local public health services .....	\$	39,386,100
22	Implementation of 1993 PA 133, MCL 333.17015 .....		20,000
23	Local health services--2.0 FTE positions .....		533,300
24	Medicaid outreach cost reimbursement to local health		
25	departments .....		<u>9,000,000</u>
26	GROSS APPROPRIATION .....	\$	48,939,400
27	Appropriated from:		

1	Federal revenues:	
2	Total federal revenues.....	9,533,300
3	Special revenue funds:	
4	Total local revenues.....	5,150,000
5	State general fund/general purpose.....	\$ 34,256,100
6	<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND</b>	
7	<b>HEALTH PROMOTION</b>	
8	Full-time equated classified positions.....	63.3
9	Cancer prevention and control program--11.0 FTE	
10	positions .....	\$ 14,987,100
11	Chronic disease control and health promotion	
12	administration--29.4 FTE positions.....	6,273,100
13	Diabetes and kidney program--8.0 FTE positions .....	1,885,600
14	Injury control intervention project .....	1,450,000
15	Smoking prevention program--12.0 FTE positions .....	2,576,800
16	Violence prevention--2.9 FTE positions .....	<u>2,170,600</u>
17	GROSS APPROPRIATION.....	\$ 29,343,200
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	25,000,900
21	Special revenue funds:	
22	Total private revenues.....	500,000
23	Total other state restricted revenues .....	728,400
24	State general fund/general purpose.....	\$ 3,113,900
25	<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH</b>	
26	<b>SERVICES</b>	
27	Full-time equated classified positions.....	53.6

1	Childhood lead program--2.5 FTE positions .....	\$	1,243,200
2	Dental programs--3.0 FTE positions .....		1,643,800
3	Dental program for persons with developmental		
4	disabilities .....		151,000
5	Family, maternal, and children's health services		
6	administration--41.6 FTE positions.....		7,245,200
7	Family planning local agreements.....		9,085,700
8	Local MCH services.....		7,018,100
9	Pregnancy prevention program.....		602,100
10	Prenatal care outreach and service delivery support--		
11	4.0 FTE positions .....		11,301,400
12	Special projects--2.5 FTE positions.....		7,927,700
13	Sudden infant death syndrome program.....		<u>321,300</u>
14	GROSS APPROPRIATION.....	\$	46,539,500
15	Appropriated from:		
16	Federal revenues:		
17	Total federal revenues.....		36,619,400
18	Special revenue funds:		
19	Total local revenues.....		75,000
20	Total private revenues.....		874,500
21	State general fund/general purpose.....	\$	8,970,600
22	<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND</b>		
23	<b>NUTRITION PROGRAM</b>		
24	Full-time equated classified positions..... 45.0		
25	Women, infants, and children program administration		
26	and special projects--45.0 FTE positions.....	\$	17,832,600
27	Women, infants, and children program local agreements		

1	and food costs .....		<u>256,285,000</u>
2	GROSS APPROPRIATION.....	\$	274,117,600
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		213,039,700
6	Special revenue funds:		
7	Total private revenues.....		61,077,900
8	State general fund/general purpose.....	\$	0
9	<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
10	Full-time equated classified positions.....		46.8
11	Children's special health care services		
12	administration--44.0 FTE positions.....	\$	5,506,600
13	Bequests for care and services--2.8 FTE positions....		1,524,100
14	Outreach and advocacy.....		5,510,000
15	Nonemergency medical transportation.....		1,505,900
16	Medical care and treatment.....		<u>147,545,600</u>
17	GROSS APPROPRIATION.....	\$	161,592,200
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		71,632,800
21	Special revenue funds:		
22	Total private revenues.....		1,005,900
23	Total other state restricted revenues.....		3,854,600
24	State general fund/general purpose.....	\$	85,098,900
25	<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>		
26	Full-time equated classified positions.....		13.0
27	Grants administration services--13.0 FTE positions...	\$	2,099,100

1	Justice assistance grants.....	19,106,100
2	Crime victim rights services grants.....	<u>16,570,000</u>
3	GROSS APPROPRIATION.....	\$ 37,775,200
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	23,494,800
7	Special revenue funds:	
8	Total other state restricted revenues.....	14,280,400
9	State general fund/general purpose.....	\$ 0
10	<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
11	Full-time equated classified positions.....	40.0
12	Office of services to aging administration--40.0 FTE	
13	positions .....	\$ 6,389,200
14	Community services.....	36,614,400
15	Nutrition services.....	37,244,000
16	Foster grandparent volunteer program.....	2,233,600
17	Retired and senior volunteer program.....	627,300
18	Senior companion volunteer program.....	1,604,400
19	Employment assistance.....	3,500,000
20	Respite care program.....	<u>5,868,700</u>
21	GROSS APPROPRIATION.....	\$ 94,081,600
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	58,154,600
25	Special revenue funds:	
26	Total private revenues.....	677,500
27	Merit award trust fund.....	4,068,700

1	Total other state restricted revenues .....	1,800,000
2	State general fund/general purpose .....	\$ 29,380,800
3	<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
4	Full-time equated classified positions.....	458.5
5	Medical services administration--434.5 FTE positions .	\$ 69,509,000
6	Facility inspection contract .....	132,800
7	MICild administration .....	4,327,800
8	Electronic health record incentive program--24.0 FTE	
9	positions .....	<u>144,193,800</u>
10	GROSS APPROPRIATION .....	\$ 218,163,400
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues .....	192,216,000
14	Special revenue funds:	
15	Total local revenues .....	105,900
16	Total private revenues .....	100,000
17	Total other state restricted revenues .....	330,000
18	State general fund/general purpose .....	\$ 25,411,500
19	<b>Sec. 119. MEDICAL SERVICES</b>	
20	Hospital services and therapy .....	\$ 1,186,608,000
21	Hospital disproportionate share payments .....	45,000,000
22	Physician services .....	451,403,600
23	Medicare premium payments .....	427,208,000
24	Pharmaceutical services .....	289,310,900
25	Home health services .....	5,000,000
26	Hospice services .....	115,000,000
27	Transportation .....	23,935,800



1	Auxiliary medical services.....	9,000,000
2	Dental services.....	190,697,600
3	Ambulance services.....	11,775,900
4	Long-term care services.....	1,780,000,000
5	Integrated care organization services.....	100
6	Medicaid home- and community-based services waiver...	299,895,900
7	Adult home help services.....	318,684,800
8	Personal care services.....	12,891,900
9	Program of all-inclusive care for the elderly.....	50,254,300
10	Autism services.....	35,171,800
11	Health plan services.....	4,746,202,000
12	MIChild program.....	69,720,100
13	Plan first family planning waiver.....	13,628,100
14	Medicaid adult benefits waiver.....	105,877,700
15	Special indigent care payments.....	95,738,900
16	Federal Medicare pharmaceutical program.....	183,628,900
17	Maternal and child health.....	20,279,500
18	Subtotal basic medical services program.....	10,486,913,800
19	School-based services.....	131,502,700
20	Special Medicaid reimbursement.....	337,217,600
21	Subtotal special medical services payments.....	<u>468,720,300</u>
22	GROSS APPROPRIATION.....	\$ 10,955,634,100
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	7,430,724,800
26	Special revenue funds:	
27	Total local revenues.....	64,335,000

1	Total private revenues.....	2,100,000
2	Merit award trust fund.....	81,766,000
3	Total other state restricted revenues.....	1,970,475,600
4	State general fund/general purpose.....	\$ 1,406,232,700
5	<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
6	Information technology services and projects.....	\$ 36,763,300
7	Michigan Medicaid information system.....	<u>50,201,100</u>
8	GROSS APPROPRIATION.....	\$ 86,964,400
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	45,235,900
12	Special revenue funds:	
13	Total private revenues.....	20,000,000
14	Total other state restricted revenues.....	1,977,300
15	State general fund/general purpose.....	\$ 19,751,200
16	<b>Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS</b>	
17	Hospital services and therapy - graduate medical	
18	education .....	\$ 4,314,200
19	Michigan Medicaid information system.....	18,300,000
20	Primary care services - island health clinics.....	325,000
21	Mental health innovation.....	5,000,000
22	University autism centers and services.....	<u>2,000,000</u>
23	GROSS APPROPRIATION.....	\$ 29,939,200
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	18,864,200
27	State general fund/general purpose.....	\$ 11,075,000

1 PART 2  
 2 PROVISIONS CONCERNING APPROPRIATIONS  
 3 FOR FISCAL YEAR 2013-2014

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state  
 6 constitution of 1963, total state spending from state resources  
 7 under part 1 for fiscal year 2013-2014 is \$5,081,482,900.00 and  
 8 state spending from state resources to be paid to local units of  
 9 government for fiscal year 2013-2014 is \$1,227,298,200.00. The  
 10 itemized statement below identifies appropriations from which  
 11 spending to local units of government will occur:

12 DEPARTMENT OF COMMUNITY HEALTH

13 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

14 Community residential and support services ..... \$ 451,500

15 Housing and support services ..... 77,500

16 BEHAVIORAL HEALTH SERVICES

17 State disability assistance program substance abuse

18 services ..... \$ 2,018,000

19 Community substance abuse prevention, education, and

20 treatment programs ..... 14,555,400

21 Medicaid mental health services ..... 696,836,700

22 Community mental health non-Medicaid services ..... 283,688,700

23 Mental health services for special populations ..... 8,842,800

24 Medicaid adult benefits waiver ..... 10,774,100

25 Medicaid substance abuse services ..... 15,555,300

1	Children's waiver home care program.....		5,871,900
2	Nursing home PAS/ARR-OBRA.....		2,721,700
3	HEALTH POLICY		
4	Primary care services.....	\$	88,900
5	INFECTIOUS DISEASE CONTROL		
6	AIDS prevention, testing, and care programs.....	\$	1,041,100
7	Sexually transmitted disease control program.....		174,500
8	LABORATORY SERVICES		
9	Laboratory services.....	\$	2,800
10	LOCAL HEALTH ADMINISTRATION AND GRANTS		
11	Implementation of 1993 PA 133, MCL 333.17015.....	\$	5,700
12	Essential local public health services.....		34,236,100
13	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
14	Cancer prevention and control program.....	\$	94,700
15	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
16	Prenatal care outreach and service delivery support ..	\$	2,100,000
17	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
18	Medical care and treatment.....	\$	585,300
19	Outreach and advocacy.....		1,250,800
20	CRIME VICTIM SERVICES COMMISSION		
21	Crime victim rights services grants.....	\$	6,180,200
22	OFFICE OF SERVICES TO THE AGING		
23	Community services.....	\$	12,229,300
24	Nutrition services.....		8,783,000
25	Foster grandparent volunteer program.....		536,400
26	Retired and senior volunteer program.....		147,300
27	Senior companion volunteer program.....		183,400

1	Respite care program.....	5,115,000
2	MEDICAL SERVICES	
3	Dental services.....	\$ 1,364,200
4	Long-term care services.....	80,798,400
5	Transportation.....	3,583,000
6	Medicaid adult benefits waiver.....	10,481,900
7	Hospital services and therapy.....	2,489,000
8	Physician services.....	<u>14,433,600</u>
9	TOTAL OF PAYMENTS TO LOCAL UNITS	
10	OF GOVERNMENT.....	\$ 1,227,298,200

11       Sec. 202. The appropriations authorized under this act are  
 12 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
 13 to 18.1594.

14       Sec. 203. As used in this act:

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

16       (b) "CMHSP" means a community mental health services program  
 17 as that term is defined in section 100a of the mental health code,  
 18 1974 PA 258, MCL 330.1100a.

19       (c) "Current fiscal year" means the fiscal year ending  
 20 September 30, 2014.

21       (d) "Department" means the department of community health.

22       (e) "Director" means the director of the department.

23       (f) "DSH" means disproportionate share hospital.

24       (g) "EPSDT" means early and periodic screening, diagnosis, and  
 25 treatment.

26       (h) "Federal health care reform legislation" means the patient  
 27 protection and affordable care act, Public Law 111-148, and the

1 health care and education reconciliation act of 2010, Public Law  
2 111-152.

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

7 (j) "FTE" means full-time equated.

8 (k) "GME" means graduate medical education.

9 (l) "Health plan" means, at a minimum, an organization that  
10 meets the criteria for delivering the comprehensive package of  
11 services under the department's comprehensive health plan.

12 (m) "HEDIS" means healthcare effectiveness data and  
13 information set.

14 (n) "HIV" means human immunodeficiency virus.

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

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

18 (q) "MCH" means maternal and child health.

19 (r) "MIChild" means the program described in section 1670.

20 (s) "PAS/ARR-OBRA" means the preadmission screening and annual  
21 resident review required under the omnibus budget reconciliation  
22 act of 1987, section 1919(e)(7) of the social security act, and 42  
23 USC 1396r.

24 (t) "PIHP" means a specialty prepaid inpatient health plan for  
25 Medicaid mental health services, services to individuals with  
26 developmental disabilities, and substance abuse services. Specialty  
27 prepaid inpatient health plans are described in section 232b of the

1 mental health code, 1974 PA 258, MCL 330.1232b.

2 (u) "Temporary assistance for needy families" means part A of  
3 title IV of the social security act, 42 USC 601 to 619.

4 (v) "Title XVIII" and "Medicare" mean title XVIII of the  
5 social security act, 42 USC 1395 to 1395kkk-1.

6 (w) "Title XIX" and "Medicaid" mean title XIX of the social  
7 security act, 42 USC 1396 to 1396w-5.

8 (x) "Title XX" means title XX of the social security act, 42  
9 USC 1397 to 1397m-5.

10 Sec. 206. (1) In addition to the funds appropriated in part 1,  
11 there is appropriated an amount not to exceed \$200,000,000.00 for  
12 federal contingency funds. These funds are not available for  
13 expenditure until they have been transferred to another line item  
14 in this act under section 393(2) of the management and budget act,  
15 1984 PA 431, MCL 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is  
17 appropriated an amount not to exceed \$40,000,000.00 for state  
18 restricted contingency funds. These funds are not available for  
19 expenditure until they have been transferred to another line item  
20 in this act under section 393(2) of the management and budget act,  
21 1984 PA 431, MCL 18.1393.

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

1           (4) In addition to the funds appropriated in part 1, there is  
2 appropriated an amount not to exceed \$40,000,000.00 for private  
3 contingency funds. These funds are not available for expenditure  
4 until they have been transferred to another line item in this act  
5 under section 393(2) of the management and budget act, 1984 PA 431,  
6 MCL 18.1393.

7           Sec. 207. The department shall maintain, on a public  
8 accessible website, a department scorecard that identifies, tracks,  
9 and regularly updates key metrics that are used to monitor and  
10 improve the department's performance.

11           Sec. 208. The departments and agencies receiving  
12 appropriations in part 1 shall use the Internet to fulfill the  
13 reporting requirements of this act. This requirement may include  
14 transmission of reports via electronic mail to the recipients  
15 identified for each reporting requirement, or it may include  
16 placement of reports on the Internet or Intranet site.

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

27           Sec. 210. The director shall take all reasonable steps to



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

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

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

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

25       Sec. 213. The state departments, agencies, and commissions  
26 receiving tobacco tax funds and healthy Michigan funds from part 1  
27 shall report by April 1 of the current fiscal year to the senate

1 and house appropriations committees, the senate and house fiscal  
2 agencies, and the state budget director on the following:

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

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

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

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

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

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

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

27 Sec. 218. The department shall include the following in its

1 annual list of proposed basic health services as required in part  
2 23 of the public health code, 1978 PA 368, MCL 333.2301 to  
3 333.2321:

4 (a) Immunizations.

5 (b) Communicable disease control.

6 (c) Sexually transmitted disease control.

7 (d) Tuberculosis control.

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

9 (f) Screening newborns for the conditions listed in section  
10 5431 of the public health code, 1978 PA 368, MCL 333.5431, or  
11 recommended by the newborn screening quality assurance advisory  
12 committee created under section 5430 of the public health code,  
13 1978 PA 368, MCL 333.5430.

14 (g) Community health annex of the Michigan emergency  
15 management plan.

16 (h) Prenatal care.

17 Sec. 219. (1) The department may contract with the Michigan  
18 public health institute for the design and implementation of  
19 projects and for other public health-related activities prescribed  
20 in section 2611 of the public health code, 1978 PA 368, MCL  
21 333.2611. The department may develop a master agreement with the  
22 institute to carry out these purposes for up to a 3-year period.  
23 The department shall report to the house and senate appropriations  
24 subcommittees on community health, the house and senate fiscal  
25 agencies, and the state budget director on or before January 1 of  
26 the current fiscal year all of the following:

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

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

4 (c) The expected project duration.

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

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

14 Sec. 223. The department may establish and collect fees for  
15 publications, videos and related materials, conferences, and  
16 workshops. Collected fees shall be used to offset expenditures to  
17 pay for printing and mailing costs of the publications, videos and  
18 related materials, and costs of the workshops and conferences. The  
19 department shall not collect fees under this section that exceed  
20 the cost of the expenditures.

21 Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid  
22 state plan amendment, or a similar proposal to the centers for  
23 Medicare and Medicaid services, the department shall notify the  
24 house and senate appropriations subcommittees on community health  
25 and the house and senate fiscal agencies of the submission.

26 (2) The department shall provide written or verbal biannual  
27 reports to the senate and house appropriations subcommittees on

1 community health and the senate and house fiscal agencies  
2 summarizing the status of any new or ongoing discussions with the  
3 centers for Medicare and Medicaid services or the federal  
4 department of health and human services regarding potential or  
5 future Medicaid waiver applications.

6 (3) The department shall inform the senate and house  
7 appropriations subcommittees on community health and the senate and  
8 house fiscal agencies of any alterations or adjustments made to the  
9 published plan for integrated care for individuals who are dual  
10 Medicare/Medicaid eligibles when the final version of the plan has  
11 been submitted to the federal centers for Medicare and Medicaid  
12 services or the federal department of health and human services.

13 (4) At least 30 days before implementation of the plan for  
14 integrated care for individuals who are dual Medicare/Medicaid  
15 eligibles, the department shall submit the plan to the legislature  
16 for review.

17 Sec. 265. The department and agencies receiving appropriations  
18 in part 1 shall receive and retain copies of all reports funded  
19 from appropriations in part 1. Federal and state guidelines for  
20 short-term and long-term retention of records shall be followed.  
21 The department may electronically retain copies of reports unless  
22 otherwise required by federal and state guidelines.

23 Sec. 266. The departments and agencies receiving  
24 appropriations in part 1 shall prepare a report on out-of-state  
25 travel expenses not later than January 1 of each year. The travel  
26 report shall be a listing of all travel by classified and  
27 unclassified employees outside this state in the immediately

1 preceding fiscal year that was funded in whole or in part with  
2 funds appropriated in the department's budget. The report shall be  
3 submitted to the senate and house appropriations committees, the  
4 house and senate fiscal agencies, and the state budget director.  
5 The report shall include the following information:

6 (a) The dates of each travel occurrence.

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

12 Sec. 267. The department shall not take disciplinary action  
13 against an employee for communicating with a member of the  
14 legislature or his or her staff.

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

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

25 (b) The program or service for which the money was originally  
26 expended.

27 (c) Details on the disposition of the funds recovered such as

1 the appropriation or revenue account in which the money was  
2 deposited.

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

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

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

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

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

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

26 Sec. 287. Not later than November 30, the state budget office  
27 shall prepare and transmit a report that provides for estimates of

1 the total general fund/general purpose appropriation lapses at the  
2 close of the prior fiscal year. This report shall summarize the  
3 projected year-end general fund/general purpose appropriation  
4 lapses by major departmental program or program areas. The report  
5 shall be transmitted to the chairpersons of the senate and house  
6 appropriations committees, and the senate and house fiscal  
7 agencies.

8 Sec. 292. The department shall cooperate with the department  
9 of technology, management, and budget to maintain a searchable  
10 website accessible by the public at no cost that includes, but is  
11 not limited to, all of the following:

12 (a) Fiscal year-to-date expenditures by category.

13 (b) Fiscal year-to-date expenditures by appropriation unit.

14 (c) Fiscal year-to-date payments to a selected vendor,  
15 including the vendor name, payment date, payment amount, and  
16 payment description.

17 (d) The number of active department employees by job  
18 classification.

19 (e) Job specifications and wage rates.

20 Sec. 296. Within 14 days after the release of the executive  
21 budget recommendation, the department shall cooperate with the  
22 state budget office to provide the senate and house appropriations  
23 chairs, the senate and house appropriations subcommittees on  
24 community health, and the senate and house fiscal agencies with an  
25 annual report on estimated state restricted fund balances, state  
26 restricted fund projected revenues, and state restricted fund  
27 expenditures for the fiscal years ending September 30, 2013 and



1 September 30, 2014.

2 Sec. 298. From the funds appropriated in part 1 for the  
3 Michigan Medicaid information system line item, \$20,000,000.00 in  
4 private revenue will be allocated for the Michigan-Illinois  
5 alliance Medicaid management information systems project.

6 Sec. 299. No state department or agency shall issue a request  
7 for proposal (RFP) for a contract in excess of \$5,000,000.00,  
8 unless the department or agency has first considered issuing a  
9 request for information (RFI) or a request for qualification (RFQ)  
10 relative to that contract to better enable the department or agency  
11 to learn more about the market for the products or services that  
12 are the subject of the RFP. The department or agency shall notify  
13 the department of technology, management, and budget of the  
14 evaluation process used to determine if an RFI or RFQ was not  
15 necessary prior to issuing the RFP.

16 **BEHAVIORAL HEALTH SERVICES**

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

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

23 (b) A complete array of mental health services that includes,  
24 but is not limited to, all of the following services: residential  
25 and other individualized living arrangements, outpatient services,  
26 acute inpatient services, and long-term, 24-hour inpatient care in

1 a structured, secure environment.

2 (c) The coordination of inpatient and outpatient hospital  
3 services through agreements with state-operated psychiatric  
4 hospitals, units, and centers in facilities owned or leased by the  
5 state, and privately-owned hospitals, units, and centers licensed  
6 by the state pursuant to sections 134 through 149b of the mental  
7 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

8 (d) Individualized plans of service that are sufficient to  
9 meet the needs of individuals, including those discharged from  
10 psychiatric hospitals or centers, and that ensure the full range of  
11 recipient needs is addressed through the CMHSP's or PIHP's program  
12 or through assistance with locating and obtaining services to meet  
13 these needs.

14 (e) A system of case management or care management to monitor  
15 and ensure the provision of services consistent with the  
16 individualized plan of services or supports.

17 (f) A system of continuous quality improvement.

18 (g) A system to monitor and evaluate the mental health  
19 services provided.

20 (h) A system that serves at-risk and delinquent youth as  
21 required under the provisions of the mental health code, 1974 PA  
22 258, MCL 330.1001 to 330.2106.

23 Sec. 402. (1) From funds appropriated in part 1, final  
24 authorizations to CMHSPs or PIHPs shall be made upon the execution  
25 of contracts between the department and CMHSPs or PIHPs. The  
26 contracts shall contain an approved plan and budget as well as  
27 policies and procedures governing the obligations and

responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

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

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

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

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

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

(2) Funds appropriated in part 1 for mental health services for special populations shall not be utilized for services provided to illegal immigrants, fugitive felons, and individuals who are not

1 residents of this state. The department shall maintain contracts  
2 with recipients of multicultural services grants that mandate  
3 grantees establish that recipients of services are legally residing  
4 in the United States. An exception to the contractual provision  
5 shall be allowed to address individuals presenting with emergent  
6 mental health conditions.

7 (3) The department shall require an annual report from the  
8 independent organizations that receive mental health services for  
9 special populations funding. The annual report, due January 1 of  
10 the current fiscal year, shall include specific information on  
11 services and programs provided, the client base to which the  
12 services and programs were provided, information on any wraparound  
13 services provided, and the expenditures for those services. The  
14 department shall provide the annual reports to the senate and house  
15 appropriations subcommittees on community health and the senate and  
16 house fiscal agencies.

17 Sec. 404. (1) Not later than May 31 of the current fiscal  
18 year, the department shall provide a report on the community mental  
19 health services programs to the members of the house and senate  
20 appropriations subcommittees on community health, the house and  
21 senate fiscal agencies, and the state budget director that includes  
22 the information required by this section.

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

26 (a) A demographic description of service recipients which,  
27 minimally, shall include reimbursement eligibility, client

1 population, age, ethnicity, housing arrangements, and diagnosis.

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

3 (c) Financial information that, minimally, includes a  
4 description of funding authorized; expenditures by client group and  
5 fund source; and cost information by service category, including  
6 administration. Service category includes all department-approved  
7 services.

8 (d) Data describing service outcomes that includes, but is not  
9 limited to, an evaluation of consumer satisfaction, consumer  
10 choice, and quality of life concerns including, but not limited to,  
11 housing and employment.

12 (e) Information about access to community mental health  
13 services programs that includes, but is not limited to, the  
14 following:

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

16 (ii) The number of people who requested services but did not  
17 receive services.

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

20 (g) An analysis of information provided by CMHSPs in response  
21 to the needs assessment requirements of the mental health code,  
22 1974 PA 258, MCL 330.1001 to 330.2106, including information about  
23 the number of individuals in the service delivery system who have  
24 requested and are clinically appropriate for different services.

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

27 (i) Information about contracts for mental health services

1 entered into by CMHSPs or PIHPs with providers, including, but not  
2 limited to, all of the following:

3 (i) The amount of the contract, organized by type of service  
4 provided.

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

6 (iii) Administrative costs for services provided to CMHSPs or  
7 PIHPs.

8 (j) Information on the community mental health Medicaid  
9 managed care program, including, but not limited to, both of the  
10 following:

11 (i) Expenditures by each CMHSP or PIHP organized by Medicaid  
12 eligibility group, including per eligible individual expenditure  
13 averages.

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

16 (k) An estimate of the number of direct care workers in local  
17 residential settings and paraprofessional and other nonprofessional  
18 direct care workers in settings where skill building, community  
19 living supports and training, and personal care services are  
20 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal  
21 year employed directly or through contracts with provider  
22 organizations.

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

26 (4) The department shall take all reasonable actions to ensure  
27 that the data required are complete and consistent among all CMHSPs

1 or PIHPs.

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

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

16       Sec. 407. (1) The amount appropriated in part 1 for substance  
17 abuse prevention, education, and treatment grants shall be expended  
18 to coordinate care and services provided to individuals with severe  
19 and persistent mental illness and substance abuse diagnoses.

20       (2) The department shall approve managing entity fee schedules  
21 for providing substance abuse services and charge participants in  
22 accordance with their ability to pay.

23       (3) The managing entity shall continue current efforts to  
24 collaborate on the delivery of services to those clients with  
25 mental illness and substance abuse diagnoses with the goal of  
26 providing services in an administratively efficient manner.

27       Sec. 408. (1) By April 1 of the current fiscal year, the

1 department shall report the following data from the prior fiscal  
2 year on substance abuse prevention, education, and treatment  
3 programs to the senate and house appropriations subcommittees on  
4 community health, the senate and house fiscal agencies, and the  
5 state budget office:

6 (a) Expenditures stratified by department-designated community  
7 mental health entity, by central diagnosis and referral agency, by  
8 fund source, by subcontractor, by population served, and by service  
9 type. Additionally, data on administrative expenditures by  
10 department-designated community mental health entity shall be  
11 reported.

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

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

18 (d) Collections from other first- or third-party payers,  
19 private donations, or other state or local programs, by department-  
20 designated community mental health entity, by subcontractor, by  
21 population served, and by service type.

22 (2) The department shall take all reasonable actions to ensure  
23 that the required data reported are complete and consistent among  
24 all department-designated community mental health entities.

25 Sec. 410. The department shall assure that substance abuse  
26 treatment is provided to applicants and recipients of public  
27 assistance through the department of human services who are



1 required to obtain substance abuse treatment as a condition of  
2 eligibility for public assistance.

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

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

18       Sec. 412. The department shall contract directly with the  
19 Salvation Army harbor light program to provide non-Medicaid  
20 substance abuse services.

21       Sec. 418. On or before the tenth of each month, the department  
22 shall report to the senate and house appropriations subcommittees  
23 on community health, the senate and house fiscal agencies, and the  
24 state budget director on the amount of funding paid to PIHPs to  
25 support the Medicaid managed mental health care program in the  
26 preceding month. The information shall include the total paid to  
27 each PIHP, per capita rate paid for each eligibility group for each

1 PIHP, and number of cases in each eligibility group for each PIHP,  
2 and year-to-date summary of eligibles and expenditures for the  
3 Medicaid managed mental health care program.

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

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

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

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

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

27 Sec. 435. A county required under the provisions of the mental

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

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

15       Sec. 490. (1) The department shall develop a plan to maximize  
16 uniformity and consistency in the standards required of providers  
17 contracting directly with PIHPs and CMHSPs. The standards shall  
18 include, but are not limited to, contract language, training  
19 requirements for direct support staff, performance indicators,  
20 financial and program audits, and billing procedures.

21       (2) The department shall provide a status report to the senate  
22 and house appropriations subcommittees on community health, the  
23 senate and house fiscal agencies, and the state budget director on  
24 implementation of the plan by July 1 of the current fiscal year.

25       Sec. 491. The department shall explore changes in program  
26 policy in the habilitation supports waiver for persons with  
27 developmental disabilities that would permit the movement of a slot

1 that has become available to a county that has demonstrated a  
2 greater need for the services.

3 Sec. 492. If a CMHSP has entered into an agreement with a  
4 county or county sheriff to provide mental health services to the  
5 inmates of the county jail, the department shall not prohibit the  
6 use of state general fund/general purpose dollars by CMHSPs to  
7 provide mental health services to inmates of a county jail.

8 Sec. 494. (1) Contingent upon federal approval, if a CMHSP,  
9 PIHP, or subcontracting provider agency is reviewed and accredited  
10 by a national accrediting entity for behavioral health care  
11 services, the department, by April 1 of the current fiscal year,  
12 shall consider that CMHSP, PIHP, or subcontracting provider agency  
13 in compliance with state program review and audit requirements that  
14 are addressed and reviewed by that national accrediting entity.

15 (2) By June 1 of the current fiscal year, the department shall  
16 report to the house and senate appropriations subcommittees on  
17 community health, the house and senate fiscal agencies, and the  
18 state budget office all of the following:

19 (a) A list of each CMHSP, PIHP, and subcontracting provider  
20 agency that is considered in compliance with state program review  
21 and audit requirements under subsection (1).

22 (b) For each CMHSP, PIHP, or subcontracting provider agency  
23 described in subdivision (a), all of the following:

24 (i) The state program review and audit requirements that the  
25 CMHSP, PIHP, or subcontracting provider agency is considered in  
26 compliance with.

27 (ii) The national accrediting entity that reviewed and

1 accredited the CMHSP, PIHP, or subcontracting provider agency.

2 (3) The department shall continue to comply with state and  
3 federal law and shall not initiate an action that negatively  
4 impacts beneficiary safety.

5 (4) As used in this section, "national accrediting entity"  
6 means the joint commission on accreditation of healthcare  
7 organizations, the commission on accreditation of rehabilitation  
8 facilities, the council of accreditation, the utilization review  
9 accreditation commission, the national committee for quality  
10 assurance, or other appropriate entity, as approved by the  
11 department.

12 Sec. 496. CMHSPs and PIHPs are permitted to offset state  
13 funding reductions by limiting the administrative component of  
14 their contracts with providers and case management to a maximum of  
15 9%.

16 Sec. 497. The population data used in determining the  
17 distribution of substance abuse block grant funds shall be from the  
18 most recent federal census.

19 Sec. 498. (1) The department shall use standard program  
20 evaluation measures to assess the effectiveness of heroin and other  
21 opiates treatment programs provided through coordinating agencies  
22 and service providers in reducing and preventing the incidence of  
23 substance use disorders. The measures established by the department  
24 shall be modeled after the program outcome measures and best  
25 practice guidelines for the treatment of heroin and other opiates  
26 as prescribed by the federal substance abuse and mental health  
27 services administration.

1           (2) By May 15 of the current fiscal year, the department shall  
2 provide a report to the house and senate appropriations  
3 subcommittees on community health, the house and senate fiscal  
4 agencies, and the state budget office on the effectiveness of  
5 treatment programs for heroin and other opiates.

6           Sec. 499. The department shall continue efforts to use mental  
7 health funding to address the mental health needs of deaf and hard-  
8 of-hearing persons. The department shall report to the senate and  
9 house appropriations subcommittees on community health on the  
10 results of this process by March 1 of the current fiscal year.

11           Sec. 500. Of the funds appropriated in part 1 for the jail  
12 diversion programs initiative, the department shall give priority  
13 to the following:

14           (a) County sheriffs, including the St. Joseph County sheriff.

15           (b) Community court or similar projects, including the 36th  
16 District Court community court project.

17           Sec. 502. The department shall explore developing an outreach  
18 program on fetal alcohol syndrome services. The department shall  
19 report to the senate and house subcommittees on community health by  
20 April 1 of the current fiscal year on efforts to prevent and combat  
21 fetal alcohol syndrome as well as deficiencies in efforts to reduce  
22 the incidence of fetal alcohol syndrome.

23           Sec. 503. (1) The department shall consult with CMHSPs from  
24 across this state when developing policies and procedures that will  
25 impact PIHPs or CMHSPs.

26           Sec. 504. (1) The department shall create a workgroup to make  
27 recommendations to achieve more uniformity in capitation payments

1 made to the PIHPs.

2 (2) The workgroup shall include but not be limited to  
3 representatives of the department, PIHPs, and CMHSPs.

4 (3) The department shall provide the workgroup's  
5 recommendations to the senate and house appropriations  
6 subcommittees on community health, the senate and house fiscal  
7 agencies, and the state budget director by March 1 of the current  
8 fiscal year.

9 **STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES**

10 Sec. 601. The department shall continue a revenue recapture  
11 project to generate additional revenues from third parties related  
12 to cases that have been closed or are inactive. A portion of  
13 revenues collected through project efforts may be used for  
14 departmental costs and contractual fees associated with these  
15 retroactive collections and to improve ongoing departmental  
16 reimbursement management functions.

17 Sec. 602. The purpose of gifts and bequests for patient living  
18 and treatment environments is to use additional private funds to  
19 provide specific enhancements for individuals residing at state-  
20 operated facilities. Use of the gifts and bequests shall be  
21 consistent with the stipulation of the donor. The expected  
22 completion date for the use of gifts and bequests donations is  
23 within 3 years unless otherwise stipulated by the donor.

24 Sec. 605. (1) The department shall not implement any closures  
25 or consolidations of state hospitals, centers, or agencies until  
26 CMHSPs or PIHPs have programs and services in place for those

1 individuals currently in those facilities and a plan for service  
2 provision for those individuals who would have been admitted to  
3 those facilities.

4 (2) All closures or consolidations are dependent upon adequate  
5 department-approved CMHSP and PIHP plans that include a discharge  
6 and aftercare plan for each individual currently in the facility. A  
7 discharge and aftercare plan shall address the individual's housing  
8 needs. A homeless shelter or similar temporary shelter arrangements  
9 are inadequate to meet the individual's housing needs.

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

15 (4) Upon the closure of state-run operations and after  
16 transitional costs have been paid, the remaining balances of funds  
17 appropriated for that operation shall be transferred to CMHSPs or  
18 PIHPs responsible for providing services for individuals previously  
19 served by the operations.

20 Sec. 606. The department may collect revenue for patient  
21 reimbursement from first- and third-party payers, including  
22 Medicaid and local county CMHSP payers, to cover the cost of  
23 placement in state hospitals and centers. The department is  
24 authorized to adjust financing sources for patient reimbursement  
25 based on actual revenues earned. If the revenue collected exceeds  
26 current year expenditures, the revenue may be carried forward with  
27 approval of the state budget director. The revenue carried forward



1 shall be used as a first source of funds in the subsequent year.

2       Sec. 608. Effective October 1 of the current fiscal year, the  
3 department, in consultation with the department of technology,  
4 management, and budget, may maintain a bid process to identify 1 or  
5 more private contractors to provide food service and custodial  
6 services for the administrative areas at any state hospital  
7 identified by the department as capable of generating savings  
8 through the outsourcing of such services.

9 **PUBLIC HEALTH ADMINISTRATION**

10       Sec. 650. By October 1 of the current fiscal year, the  
11 department shall provide to the senate and house appropriations  
12 subcommittees on community health a report that includes detailed  
13 information regarding the current process by which fish consumption  
14 advisories are created and revised. The department shall include  
15 all of the following information in the report:

16       (a) The triggers to begin the process for developing the fish  
17 consumption advisories, such as evidence of human disease, fish  
18 residue data, and biomonitoring data.

19       (b) The process for developing and modifying a fish  
20 consumption advisory, including the data inputs used, the rationale  
21 behind the selection of particular fish for collection, whether the  
22 process has been independently reviewed and validated by a  
23 scientific panel or benchmarked in any way, and the reasons for the  
24 lack of any independent review, validation, or benchmarking.

25       (c) The type of data specific to a particular body of water  
26 that would be needed to modify a current fish consumption advisory,

1 including the data quality criteria that are used to determine if  
2 data are suitable for use in the assessment and exclusions to  
3 bodies of data and the justifications for such exclusions.

4 (d) Information on the ways stakeholder input is incorporated  
5 into the fish consumption advisory process prior to an advisory  
6 being issued.

7 (e) Information on how advisory analyses are documented,  
8 including how uncertainty analyses are conducted and reported, with  
9 information as to whether these evaluations are publicly available  
10 and, if not available, an explanation of why any such evaluations  
11 are not publicly available.

12 Sec. 651. The department shall work with the Michigan health  
13 endowment fund corporation established pursuant to section 653 of  
14 the nonprofit health care corporation reform act, 1980 PA 350, MCL  
15 550.1653, to explore ways to expand health and wellness programs.

16 Sec. 654. From the funds appropriated in part 1 for health and  
17 wellness initiatives, \$1,000,000.00 shall be allocated for a pilot  
18 before- and after-school healthy exercise program to promote and  
19 advance physical health for school children in kindergarten through  
20 grade 6. The department shall develop a model for program sites  
21 that incorporates evidence-based best practices. The department  
22 shall establish guidelines for program sites, which may include  
23 public schools, community-based organizations, private facilities,  
24 recreation centers, or other similar sites. The program format  
25 shall encourage local determination of site activities and shall  
26 encourage local inclusion of youth in the decision-making regarding  
27 site activities. Program goals shall include children experiencing

1 good physical health, the reduction of obesity, providing a safe  
2 place to play and exercise, and nutrition education. To be eligible  
3 to participate in the pilot, program sites shall provide a 20%  
4 match to the state funding. The department shall seek financial  
5 support from corporate, foundation, or other private partners for  
6 the program or for individual program sites.

7 **HEALTH POLICY**

8       Sec. 704. The department shall continue to contract with  
9 grantees supported through the appropriation in part 1 for the  
10 emergency medical services program to ensure that a sufficient  
11 number of qualified emergency medical services personnel exist to  
12 serve rural areas of the state.

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

18       (2) From the funds appropriated in part 1 for the Michigan  
19 essential health provider program, the department may reduce the  
20 local and private share of the loan and repayment costs to 25% for  
21 primary care physicians, particularly obstetricians and  
22 gynecologists working in underserved areas.

23       Sec. 712. From the funds appropriated in part 1 for primary  
24 care services, \$250,000.00 shall be allocated to free health  
25 clinics operating in the state. The department shall distribute the  
26 funds equally to each free health clinic. For the purpose of this

1 appropriation, "free health clinics" means nonprofit organizations  
2 that use volunteer health professionals to provide care to  
3 uninsured individuals.

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

7 Sec. 715. The department shall evaluate options for  
8 incentivizing students attending medical schools in this state to  
9 meet their primary care residency requirements in this state and  
10 ultimately, for some period of time, to remain in this state and  
11 serve as primary care physicians.

12 Sec. 716. (1) The department is encouraged to create and  
13 implement a pilot program limited to counties with a population of  
14 less than 100,000 to incentivize students attending medical schools  
15 in Michigan through a loan repayment program or other approaches  
16 for committing to provide medical services in rural counties with a  
17 medically underserved population. The program shall be limited to  
18 those students or individuals performing primary care or specialty  
19 services as identified by the department.

20 (2) By no later than September 30 of the current fiscal year,  
21 the department shall prepare a report and submit it to the senate  
22 and house appropriations subcommittees on community health, the  
23 senate and house fiscal agencies, and the state budget director.  
24 The department shall evaluate the effectiveness of the pilot  
25 program, identify potential changes to improve the program, and  
26 make recommendations for statewide implementation in its report  
27 under this subsection.

1       Sec. 717. (1) The department may award health innovation  
2 grants to address emerging issues and encourage cutting edge  
3 advances in health care including strategic partners in both the  
4 public and private sectors.

5       (2) From the funds appropriated in part 1 for health  
6 innovation grants, \$250,000.00 shall be allocated for a chronic  
7 fatigue syndrome study.

8       (3) The unexpended funds appropriated for the health  
9 innovation grants are considered work project appropriations, and  
10 any unencumbered or unallotted funds are carried forward into the  
11 following fiscal year. The following is in compliance with section  
12 451a(1) of the management and budget act, 1984 PA 431, MCL  
13 18.1451a:

14       (a) The purpose of the project to be carried forward is to  
15 address emerging issues and encourage cutting edge advances in  
16 health care including strategic partners in both the public and  
17 private sectors.

18       (b) The project will be accomplished by providing incentive  
19 grants.

20       (c) The estimated cost of this project phase is identified in  
21 the appropriation line item.

22       (d) The tentative completion date for the work project is  
23 September 30, 2018.

24       **INFECTIOUS DISEASE CONTROL**

25       Sec. 804. The department, in conjunction with efforts to  
26 implement the Michigan prisoner reentry initiative, shall cooperate

1 with the department of corrections to share data and information as  
2 they relate to prisoners being released who are HIV positive or  
3 positive for the hepatitis C antibody.

#### 4 **EPIDEMIOLOGY**

5 Sec. 851. (1) From the funds appropriated in part 1 for the  
6 healthy homes program, \$1,250,000.00 shall be allocated to expand  
7 lead abatement efforts.

8 (2) The department shall coordinate its lead abatement efforts  
9 with the Michigan public service commission, specifically on the  
10 issue of window replacement.

#### 11 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

12 Sec. 901. The amount appropriated in part 1 for implementation  
13 of the 1993 additions of or amendments to sections 9161, 16221,  
14 16226, 17014, 17015, and 17515 of the public health code, 1978 PA  
15 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and  
16 333.17515, shall be used to reimburse local health departments for  
17 costs incurred related to implementation of section 17015(18) of  
18 the public health code, 1978 PA 368, MCL 333.17015.

19 Sec. 902. If a county that has participated in a district  
20 health department or an associated arrangement with other local  
21 health departments takes action to cease to participate in such an  
22 arrangement after October 1 of the current fiscal year, the  
23 department shall have the authority to assess a penalty from the  
24 local health department's operational accounts in an amount equal  
25 to no more than 6.25% of the local health department's essential

1 local public health services funding. This penalty shall only be  
2 assessed to the local county that requests the dissolution of the  
3 health department.

4       Sec. 904. (1) Funds appropriated in part 1 for essential local  
5 public health services shall be prospectively allocated to local  
6 health departments to support immunizations, infectious disease  
7 control, sexually transmitted disease control and prevention,  
8 hearing screening, vision services, food protection, public water  
9 supply, private groundwater supply, and on-site sewage management.  
10 Food protection shall be provided in consultation with the  
11 department of agriculture and rural development. Public water  
12 supply, private groundwater supply, and on-site sewage management  
13 shall be provided in consultation with the department of  
14 environmental quality.

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

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

#### 21 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

22       Sec. 1103. By January 3 of the current fiscal year the  
23 department shall annually issue to the legislature, and to the  
24 public on the Internet, a report providing estimated public funds  
25 administered by the department for family planning, sexually  
26 transmitted infection prevention and treatment, and pregnancies and

1 births, as well as demographics collected by the department as  
2 voluntarily self-reported by individuals utilizing those services.  
3 The department shall provide the actual expenditures by marital  
4 status or, where actual expenditures are not available, shall  
5 provide estimated expenditures by marital status. The department  
6 may utilize the Plan First application (Form MSA 1582), MICHild,  
7 and Healthy Kids application (DCH 0373) or Assistance Application  
8 (DHS 1171) or any other official application for public assistance  
9 for medical coverage to determine the actual or estimated public  
10 expenditures based on marital status.

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

19       (a) Funding allocations.

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

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

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



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

5           Sec. 1106. Each family planning program receiving federal  
6 title X family planning funds under 42 USC 300 to 300a-8 shall be  
7 in compliance with all performance and quality assurance indicators  
8 that the office of family planning within the United States  
9 department of health and human services specifies in the program  
10 guidelines for project grants for family planning services. An  
11 agency not in compliance with the indicators shall not receive  
12 supplemental or reallocated funds.

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

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

20           (2) Not later than December 1 of the current fiscal year, the  
21 department shall report to the senate and house appropriations  
22 subcommittees on community health and the senate and house standing  
23 committees on health policy the number of individual patients  
24 treated, number of procedures performed, and approximate total  
25 market value of those procedures from the immediately preceding  
26 fiscal year.

27           Sec. 1119. From the funds appropriated in part 1 for family

1 planning local agreements or pregnancy prevention programs, no  
2 state funds shall be used to encourage or support abortion  
3 services.

4 Sec. 1135. (1) If funds become available, provision of the  
5 school health education curriculum, such as the Michigan model for  
6 health or another comprehensive school health education curriculum,  
7 shall be in accordance with the health education goals established  
8 by the Michigan model steering committee. The steering committee  
9 shall be composed of a representative from each of the following  
10 offices and departments:

11 (a) The department of education.

12 (b) The department of community health.

13 (c) The health administration in the department of community  
14 health.

15 (d) The behavioral health and developmental disabilities  
16 administration in the department of community health.

17 (e) The department of human services.

18 (f) The department of state police.

19 (2) Upon written or oral request, a pupil not less than 18  
20 years of age or a parent or legal guardian of a pupil less than 18  
21 years of age, within a reasonable period of time after the request  
22 is made, shall be informed of the content of a course in the health  
23 education curriculum and may examine textbooks and other classroom  
24 materials that are provided to the pupil or materials that are  
25 presented to the pupil in the classroom. This subsection does not  
26 require a school board to permit pupil or parental examination of  
27 test questions and answers, scoring keys, or other examination

1 instruments or data used to administer an academic examination.

2       Sec. 1136. From the funds appropriated in part 1 for prenatal  
3 care outreach and service delivery support, \$700,000.00 shall be  
4 allocated for a pregnancy and parenting support services program as  
5 a pilot project, which program must promote childbirth and  
6 alternatives to abortion. The department shall establish a program  
7 with a qualified contractor that will contract with qualified  
8 service providers to provide free counseling, support, and referral  
9 services to eligible women during pregnancy through 12 months after  
10 birth. As appropriate, the goals for client outcomes shall include  
11 an increase in client support, an increase in childbirth choice, an  
12 increase in adoption knowledge, an improvement in parenting skills,  
13 and improved reproductive health through abstinence education. The  
14 contractor of the program shall provide for program training,  
15 client educational material, program marketing, and annual service  
16 provider site monitoring.

17       Sec. 1137. From the funds appropriated in part 1 for prenatal  
18 care outreach and service delivery support, not less than  
19 \$500,000.00 of new funding shall be allocated for evidence-based  
20 programs to reduce infant mortality including nurse family  
21 partnership programs. The funds shall be used for enhanced support  
22 and education to nursing teams or other teams of qualified health  
23 professionals, client recruitment in areas designated as  
24 underserved for obstetrical and gynecological services and other  
25 high-need communities, strategic planning to expand and sustain  
26 programs, and marketing and communications of programs to raise  
27 awareness, engage stakeholders, and recruit nurses.

1       Sec. 1138. The department shall allocate funds appropriated in  
2 section 113 of part 1 for family, maternal, and children's health  
3 services pursuant to section 1 of 2002 PA 360, MCL 333.1091.

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

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

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

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

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

13       (d) Provide human growth hormone to eligible patients.

14       Sec. 1204. By October 1 of the current fiscal year, the  
15 department shall report to the senate and house appropriations  
16 committees on community health and the senate and house fiscal  
17 agencies on its plan for enrolling Medicaid-eligible children's  
18 special health care services recipients in the Medicaid health  
19 plans. The report shall include information on which Medicaid  
20 health plans are participating, the methods used to assure  
21 continuity of care and continuity of ongoing relationships with  
22 providers, and projected savings from the implementation of the  
23 proposal.

24       Sec. 1205. From the funds appropriated in part 1 for medical  
25 care and treatment, the department is authorized to spend up to  
26 \$500,000.00 for the continued development and expansion of

1 telemedicine capacity to allow families with children in the  
2 children's special health care services program to access specialty  
3 providers more readily and in a more timely manner.

#### 4 **CRIME VICTIM SERVICES COMMISSION**

5       Sec. 1302. From the funds appropriated in part 1 for justice  
6 assistance grants, up to \$200,000.00 shall be allocated for  
7 expansion of forensic nurse examiner programs to facilitate  
8 training for improved evidence collection for the prosecution of  
9 sexual assault. The funds shall be used for program coordination  
10 and training.

#### 11 **OFFICE OF SERVICES TO THE AGING**

12       Sec. 1403. (1) By February 1 of the current fiscal year, the  
13 office of services to the aging shall require each region to report  
14 to the office of services to the aging and to the legislature home-  
15 delivered meals waiting lists based upon standard criteria.  
16 Determining criteria shall include all of the following:

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

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

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

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

23       (2) Data required in subsection (1) shall be recorded only for  
24 individuals who have applied for participation in the home-  
25 delivered meals program and who are initially determined as likely

1 to be eligible for home-delivered meals.

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

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

8 (b) Detail expenditure by each area agency on aging by  
9 individual program and administration including both state-funded  
10 resources and locally-funded resources.

11 Sec. 1420. If funds become available, the department shall  
12 create a pilot project to establish an aging care management  
13 services program with services provided solely by nurses. This  
14 pilot project shall be established in a county with a population  
15 greater than 150,000 but less than 250,000.

16 Sec. 1421. From the funds appropriated in part 1 for community  
17 services, \$1,100,000.00 shall be allocated to area agencies on  
18 aging for locally determined needs.

19 **MEDICAL SERVICES ADMINISTRATION**

20 Sec. 1501. The unexpended funds appropriated in part 1 for the  
21 electronic health records incentive program are considered work  
22 project appropriations, and any unencumbered or unallotted funds  
23 are carried forward into the following fiscal year. The following  
24 is in compliance with section 451a(1) of the management and budget  
25 act, 1984 PA 431, MCL 18.1451a:

26 (a) The purpose of the project to be carried forward is to

1 implement the Medicaid electronic health record program that  
2 provides financial incentive payments to Medicaid health care  
3 providers to encourage the adoption and meaningful use of  
4 electronic health records to improve quality, increase efficiency,  
5 and promote safety.

6 (b) The projects will be accomplished according to the  
7 approved federal advanced planning document.

8 (c) The estimated cost of this project phase is identified in  
9 the appropriation line item.

10 (d) The tentative completion date for the work project is  
11 September 30, 2018.

12 Sec. 1502. From the funds appropriated in part 1 for the  
13 medical services administration, the department shall spend  
14 \$300,000.00 general fund general purpose plus any associated  
15 federal match to create and develop a transparency database  
16 website. This funding is contingent upon enactment of enabling  
17 legislation.

#### 18 **MEDICAL SERVICES**

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

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

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

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

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

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

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

21          (2) An applicant qualified as described in subsection (1)  
22 shall be given a letter of authorization to receive Medicaid  
23 covered services related to her pregnancy. All qualifying  
24 applicants shall be entitled to receive all medically necessary  
25 obstetrical and prenatal care without preauthorization from a  
26 health plan. All claims submitted for payment for obstetrical and  
27 prenatal care shall be paid at the Medicaid fee-for-service rate in



1 the event a contract does not exist between the Medicaid  
2 participating obstetrical or prenatal care provider and the managed  
3 care plan. The applicant shall receive a listing of Medicaid  
4 physicians and managed care plans in the immediate vicinity of the  
5 applicant's residence.

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

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

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

21 (6) The department shall mandate enrollment of women, whose  
22 qualifying condition is pregnancy, into Medicaid managed care  
23 plans.

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

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

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

20       Sec. 1620. (1) For fee-for-service recipients who do not  
21 reside in nursing homes, the pharmaceutical dispensing fee shall be  
22 \$2.75 or the pharmacy's usual or customary cash charge, whichever  
23 is less. For nursing home residents, the pharmaceutical dispensing  
24 fee shall be \$3.00 or the pharmacy's usual or customary cash  
25 charge, whichever is less.

26       (2) The department shall require a prescription co-payment for  
27 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a

1 brand-name drug, except as prohibited by federal or state law or  
2 regulation.

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

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

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

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

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

16 (c) Fifty dollars for the first day of an inpatient hospital  
17 stay.

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

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

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

1 hospital shall notify the recipient's HMO within 24 hours of the  
2 diagnosis and treatment received.

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

7 (3) Subsections (1) and (2) do not require an alteration to an  
8 existing agreement between an HMO and its contracting hospitals and  
9 do not require an HMO to reimburse for services that are not  
10 considered to be medically necessary.

11 Sec. 1659. The following sections of this act are the only  
12 ones that shall apply to the following Medicaid managed care  
13 programs, including the comprehensive plan, MIChoice long-term care  
14 plan, and the mental health, substance abuse, and developmentally  
15 disabled services program: 404, 411, 418, 428, 474, 494, 1607,  
16 1657, 1662, 1689, 1699, 1740, 1756, 1764, 1815, 1820, 1850, and  
17 1881.

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

23 (2) The department shall require Medicaid HMOs to provide  
24 EPSDT utilization data through the encounter data system, and HEDIS  
25 well child health measures in accordance with the national  
26 committee for quality assurance prescribed methodology.

27 (3) The department shall provide a copy of the analysis of the

1 Medicaid HMO annual audited HEDIS reports and the annual external  
2 quality review report to the senate and house of representatives  
3 appropriations subcommittees on community health, the senate and  
4 house fiscal agencies, and the state budget director, within 30  
5 days of the department's receipt of the final reports from the  
6 contractors.

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

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

25       (3) Children whose category of eligibility changes between the  
26 Medicaid and MICHild programs shall be assured of keeping their  
27 current health care providers through the current prescribed course

1 of treatment for up to 1 year, subject to periodic reviews by the  
2 department if the beneficiary has a serious medical condition and  
3 is undergoing active treatment for that condition.

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

8 (5) The department shall contract with Medicaid health plans  
9 to provide physical health services to MICHild enrollees. The  
10 department may continue to obtain physical health services for  
11 MICHild enrollees from health maintenance organizations and  
12 preferred provider organizations currently under contract for  
13 whatever duration is needed as determined by the department. The  
14 department shall contractually require that health plans pay out-  
15 of-network providers at the department fee schedule. The department  
16 shall contract with qualified dental plans to provide dental  
17 coverage for MICHild enrollees.

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

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

25 (8) The department shall assure that an external quality  
26 review of each MICHild contractor, as described in subsection (5),  
27 is performed, which analyzes and evaluates the aggregated

1 information on quality, timeliness, and access to health care  
2 services that the contractor furnished to MICHild beneficiaries.

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

5 (10) MICHild services shall include treatment for autism  
6 spectrum disorders as defined in the federally approved Medicaid  
7 state plan.

8 Sec. 1673. The department may establish premiums for MICHild  
9 eligible individuals in families with income above 150% of the  
10 federal poverty level. The monthly premiums shall not be less than  
11 \$10.00 or exceed \$15.00 for a family.

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

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

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

24 (c) Durable medical equipment and prosthetic and orthotic  
25 devices.

26 (d) Dental services as outlined in the approved MICHild state  
27 plan.

1 (e) Substance abuse treatment services that may include  
2 inpatient, outpatient, and residential substance abuse treatment  
3 services.

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

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

7 (h) Emergency ambulance services.

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

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

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

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



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

3           Sec. 1689. By April 30 of the current fiscal year, the  
4 department shall provide a report to the senate and house  
5 appropriations subcommittees on community health and the senate and  
6 house fiscal agencies that presents the number of individuals  
7 transitioned from nursing homes to the home- and community-based  
8 services waiver program, the number of individuals enrolled into  
9 the home- and community-based services waiver program from the  
10 community, the number of unique individuals served, the number of  
11 days of care provided during the fiscal year, the estimated average  
12 cost per day, and the number of individuals on waiting lists for  
13 the home- and community-based services waiver program as of  
14 September 30 of the previous fiscal year.

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

24           (2) From the funds appropriated in part 1 for medical services  
25 school-based services payments, the department is authorized to do  
26 all of the following:

27           (a) Finance activities within the medical services

1 administration related to this project.

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

5 (c) Offset general fund costs associated with the medical  
6 services program.

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

13 Sec. 1694. (1) From the funds appropriated in part 1 for  
14 special Medicaid reimbursement, \$378,000.00 of general fund general  
15 purpose revenue and any associated federal match shall be  
16 distributed for poison control services to an academic health care  
17 system that includes a children's hospital that has a high indigent  
18 care volume.

19 (2) By March 1 of the current fiscal year, the department  
20 shall report to the senate and house appropriations subcommittees  
21 on community health and the senate and house fiscal agencies on the  
22 adequacy of the payment described in subsection (1).

23 Sec. 1699. (1) The department may make separate payments in  
24 the amount of \$45,000,000.00 directly to qualifying hospitals  
25 serving a disproportionate share of indigent patients and to  
26 hospitals providing GME training programs. If direct payment for  
27 GME and DSH is made to qualifying hospitals for services to

1 Medicaid clients, hospitals shall not include GME costs or DSH  
2 payments in their contracts with HMOs.

3 (2) The department shall allocate \$45,000,000.00 in DSH  
4 funding using the distribution methodology used in fiscal year  
5 2003-2004.

6 (3) By September 30 of the current fiscal year, the department  
7 shall report to the senate and house appropriations subcommittees  
8 on community health and the senate and house fiscal agencies on the  
9 new distribution of funding to each eligible hospital from the GME  
10 and DSH pools.

11 Sec. 1724. The department shall allow licensed pharmacies to  
12 purchase injectable drugs for the treatment of respiratory  
13 syncytial virus for shipment to physicians' offices to be  
14 administered to specific patients. If the affected patients are  
15 Medicaid eligible, the department shall reimburse pharmacies for  
16 the dispensing of the injectable drugs and reimburse physicians for  
17 the administration of the injectable drugs.

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

23 Sec. 1756. The department shall develop a plan to expand and  
24 improve the beneficiary monitoring program. The department shall  
25 submit this plan to the house and senate appropriations  
26 subcommittees on community health, the house and senate fiscal  
27 agencies, and the state budget director by April 1 of the current

1   fiscal year.

2           Sec. 1757. The department shall direct the department of human  
3   services to obtain proof from all Medicaid recipients that they are  
4   legal United States citizens or otherwise legally residing in this  
5   country and that they are residents of this state before approving  
6   Medicaid eligibility.

7           Sec. 1764. The department shall annually certify rates paid to  
8   Medicaid health plans and specialty prepaid inpatient health plans  
9   as being actuarially sound in accordance with federal requirements  
10   and shall provide a copy of the rate certification and approval  
11   immediately to the house and senate appropriations subcommittees on  
12   community health and the house and senate fiscal agencies. The  
13   department shall consider, in the case of Medicaid policy bulletins  
14   affecting Medicaid health plans issued after the federal approval  
15   of rates, including an economic analysis of the impact of the  
16   approved rates on the Medicaid health plans.

17          Sec. 1775. If the state's application for a waiver to  
18   implement managed care for dual Medicare/Medicaid eligibles is  
19   approved by the federal government, the department shall provide  
20   quarterly reports to the senate and house appropriations  
21   subcommittees on community health and the senate and house fiscal  
22   agencies on progress in implementing the waiver.

23          Sec. 1777. From the funds appropriated in part 1 for long-term  
24   care services, the department shall permit, in accordance with  
25   applicable federal and state law, nursing homes to use dining  
26   assistants to feed eligible residents if legislation to permit the  
27   use of dining assistants is enacted into law. The department shall

1 not be responsible for costs associated with training dining  
2 assistants.

3 Sec. 1793. The department shall consider the development of a  
4 pilot project that focuses on the prevention of preventable  
5 hospitalizations from nursing homes.

6 Sec. 1804. The department, in cooperation with the department  
7 of human services and the department of military and veterans  
8 affairs, shall work with the federal public assistance reporting  
9 information system to identify Medicaid recipients who are veterans  
10 and who may be eligible for federal veterans health care benefits  
11 or other benefits.

12 Sec. 1815. From the funds appropriated in part 1 for health  
13 plan services, the department shall not implement a capitation  
14 withhold as part of the overall capitation rate schedule that  
15 exceeds the 0.19% withhold administered during fiscal year 2008-  
16 2009.

17 Sec. 1820. (1) In order to avoid duplication of efforts, the  
18 department shall utilize applicable national accreditation review  
19 criteria to determine compliance with corresponding state  
20 requirements for Medicaid health plans that have been reviewed and  
21 accredited by a national accrediting entity for health care  
22 services.

23 (2) Upon submission by Medicaid health plans of a listing of  
24 program requirements that are part of the state program review  
25 criteria but are not reviewed by an applicable national accrediting  
26 entity, the department shall review the listing and provide a  
27 recommendation to the house and senate appropriations subcommittees

1 on community health, the house and senate fiscal agencies, and the  
2 state budget office as to whether or not state program review  
3 should continue. The Medicaid health plans may request the  
4 department to convene a workgroup to fulfill this section.

5 (3) The department shall continue to comply with state and  
6 federal law and shall not initiate an action that negatively  
7 impacts beneficiary safety.

8 (4) As used in this section, "national accrediting entity"  
9 means the national committee for quality assurance, the utilization  
10 review accreditation committee, or other appropriate entity, as  
11 approved by the department.

12 (5) By July 1 of the current fiscal year, the department shall  
13 provide a progress report to the house and senate appropriations  
14 subcommittees on community health, the house and senate fiscal  
15 agencies, and the state budget office on implementation of this  
16 section.

17 Sec. 1837. The department shall explore utilization of  
18 telemedicine and telepsychiatry as strategies to increase access to  
19 services for Medicaid recipients in medically underserved areas.

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

27 (2) As used in this section, "qualifying hospital" means a

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

8       Sec. 1846. (1) The department shall conduct research on the  
9 effectiveness of graduate medical education funding.

10       (2) The research shall do all of the following:

11       (a) Identify physician shortages by practice and geographic  
12 area.

13       (b) Consider efforts by other states to use graduate medical  
14 education funding to address shortages.

15       (c) Consider policy changes to the graduate medical education  
16 program to reduce practitioner shortages.

17       (3) The department shall report the results of the research to  
18 the senate and house appropriations subcommittees on community  
19 health, the senate and house fiscal agencies, and the state budget  
20 director by April 1 of the current fiscal year.

21       Sec. 1847. The department shall create a structure for an  
22 ambulance quality assurance assessment program in consultation with  
23 the Michigan association of ambulance services by April 1 of the  
24 current fiscal year.

25       Sec. 1850. The department may allow Medicaid health plans to  
26 assist with the redetermination process through outreach activities  
27 to ensure continuation of Medicaid eligibility and enrollment in

1 managed care. This may include mailings, telephone contact, or  
2 face-to-face contact with beneficiaries enrolled in the individual  
3 Medicaid health plan. Health plans may offer assistance in  
4 completing paperwork for beneficiaries enrolled in their plan.

5       Sec. 1854. The department may work with a provider of kidney  
6 dialysis services and renal care as authorized under section 2703  
7 of the patient protection and affordable care act, Public Law 111-  
8 148, to develop a chronic condition health home program for  
9 Medicaid enrollees identified with chronic kidney disease and who  
10 are beginning dialysis. When initiated, the department shall  
11 develop metrics that evaluate program effectiveness and submit a  
12 report by June 1 of the current fiscal year to the senate and house  
13 appropriations subcommittees on community health. Metrics shall  
14 include cost savings and clinical outcomes.

15       Sec. 1857. It is the intent of the legislature that the  
16 department not reduce Medicaid reimbursement for wheelchairs.

17       Sec. 1858. Medicaid services shall include treatment for  
18 autism spectrum disorders as defined in the federally approved  
19 Medicaid state plan. Such alternatives may be coordinated with the  
20 Medicaid health plans and the Michigan association of health plans.

21       Sec. 1861. On or before October 31 of the current fiscal year,  
22 the department shall provide the house and senate appropriations  
23 subcommittees on community health and the house and senate fiscal  
24 agencies its report regarding the pilot program involving  
25 nonemergency medical transportation offered to Medicaid recipients.

26       Sec. 1862. From the funds appropriated in part 1, the  
27 department shall continue the rate increase for Medicaid



1 obstetrical services at not less than what was in effect on October  
2 1, 2012.

3       Sec. 1865. Upon federal approval of the department's proposal  
4 for integrated care for individuals who are dual Medicare/Medicaid  
5 eligibles, the department shall provide the senate and house  
6 appropriations subcommittees on community health and the senate and  
7 house fiscal agencies its plan and organizational chart for  
8 administering and providing oversight of this proposal. The plan  
9 shall include information on how the department intends to organize  
10 staff in an integrated manner to ensure that key components of the  
11 proposal are implemented effectively.

12       Sec. 1866. (1) From the funds appropriated in part 1 for  
13 hospital services and therapy, \$12,000,000.00 in general  
14 fund/general purpose revenue and any associated federal match shall  
15 be awarded to hospitals that meet criteria established by the  
16 department for services to low-income rural residents. One of the  
17 reimbursement components of the distribution formula shall be  
18 assistance with labor and delivery services.

19       (2) No hospital or hospital system shall receive more than  
20 5.0% of the total funding referenced in subsection (1).

21       (3) To allow hospitals to understand their rural payment  
22 amounts under this section, the department shall provide hospitals  
23 with the methodology for distribution under this section and  
24 provide each hospital with its applicable data that are used to  
25 determine the payment amounts by August 1 of the current fiscal  
26 year. The department shall publish the distribution of payments for  
27 the current fiscal year and the immediately preceding fiscal year.

1           (4) The department shall report to the senate and house  
2 appropriations subcommittees on community health and the senate and  
3 house fiscal agencies on the distribution of funds referenced in  
4 subsection (1) by April 1 of the current fiscal year.

5           Sec. 1870. (1) The department shall work in collaboration with  
6 medical school-affiliated faculty practice physician groups that  
7 are capable of developing freestanding residency programs to create  
8 a Michigan graduate medical education consortium. The consortium  
9 shall develop accredited physician-based primary care graduate  
10 medical education programs to enhance the training of primary care  
11 physicians in Michigan. The consortium shall provide an actionable  
12 plan to the legislature no later than March 31 of the current  
13 fiscal year.

14           (2) The department shall explore seeking a federal waiver to  
15 implement a program similar to the Utah Medicare graduate medical  
16 education demonstration project.

17           Sec. 1872. The department shall consider creating a pilot  
18 program to prevent or reduce the costs associated with lower  
19 extremity diabetic care, ulcerations, and amputations. If such a  
20 pilot program is created, the department shall work with the  
21 Michigan podiatric medical association to improve the quality of  
22 lower extremity diabetic care.

23           Sec. 1873. The department shall report on the findings of the  
24 workgroup established to discuss new ways to distribute hospital  
25 funding through the Michigan access to care initiative, the  
26 hospital rate adjustor payments, and the quality assurance  
27 assessment program. The department shall report to the senate and

1 house subcommittees on community health on the findings of the  
2 workgroup by April 1 of the current fiscal year.

3 Sec. 1874. The department may explore ways to work with  
4 private providers to develop fraud management solutions to reduce  
5 fraud, waste, and abuse in this state's Medicaid program.

6 Sec. 1875. The department may seek to expand home- and  
7 community-based services and seek enhanced match funding pursuant  
8 to federal law.

9 Sec. 1878. In any project negotiated with the federal  
10 government for integrated health care of individuals dually  
11 enrolled in Medicaid and Medicare, the department shall seek to  
12 assure the existence of an ombudsman program that is not associated  
13 with any project service manager or provider. For activities to be  
14 undertaken by the ombudsman program, the department shall include,  
15 but is not limited to, assisting beneficiaries with navigating  
16 complaint and dispute resolution mechanisms, identifying problems  
17 in the project's complaint and dispute resolution mechanisms, and  
18 reporting to the executive and legislative branches on any such  
19 problems and potential solutions for them.

20 Sec. 1879. In any program of integrated service for persons  
21 dually enrolled in Medicaid and Medicare that the department  
22 negotiates with the federal government, the department shall seek  
23 to use the Medicare Part D benefit for prescription drug coverage.

24 Sec. 1881. The department shall create a default eligibility  
25 and enrollment determination for newborns so that newborns are  
26 assigned to the same Medicaid health plan as the mother at the time  
27 of birth.

1       Sec. 1883. For the purposes of more effectively managing  
2 inpatient care for Medicaid health plans and Medicaid fee-for-  
3 service, the department shall consider developing an appropriate  
4 policy and rate for observation stays.

5       Sec. 1886. The department shall work in conjunction with the  
6 workgroup established by the department of human services to  
7 determine how the state can maximize Medicaid claims for community-  
8 based and outpatient treatment services to foster care children and  
9 adjudicated youths who are placed in community-based treatment  
10 programs. The department shall report to the senate and house and  
11 appropriations subcommittees on community health, the senate and  
12 house fiscal agencies, the senate and house policy offices, and the  
13 state budget office by March 1 of the current fiscal year on the  
14 findings of the workgroup.

#### 15   ONE-TIME APPROPRIATIONS

16       Sec. 1901. (1) The department may expend funds to achieve  
17 mental health innovations which address emerging issues and improve  
18 mental health services for children.

19       (2) The unexpended funds appropriated for mental health  
20 innovations are considered work project appropriations, and any  
21 unencumbered or unallotted funds are carried forward into the  
22 following fiscal year. The following is in compliance with section  
23 451a(1) of the management and budget act, 1984 PA 431, MCL  
24 18.1451a:

25       (a) The purpose of the project to be carried forward is to  
26 improve mental health services for children in Michigan.

(b) The project will be accomplished through early intervention focusing on training and awareness, home-based services, as well as care management and treatment for high risk youth.

(c) The estimated completion cost is \$5,000,000.00.

(d) The tentative completion date is September 30, 2018.

Sec. 1902. From the funds appropriated in part 1 for university autism centers and services, the department shall make the following allocations:

(a) \$500,000.00 to the Eastern Michigan University autism center.

(b) \$500,000.00 to the Central Michigan University central assessment lending library.

(c) \$500,000.00 to the Oakland University center for autism research, education, and support.

(d) \$500,000.00 to the Western Michigan University autism center of excellence.

## PART 2A

### PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

#### FOR FISCAL YEAR 2014-2015

#### GENERAL SECTIONS

Sec. 2001. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2015 for the line items listed in part 1. The fiscal year 2014-2015 appropriations are anticipated to be the same as those for fiscal

1 year 2013-2014, except that the line items will be adjusted for  
2 changes in caseload and related costs, federal fund match rates,  
3 economic factors, and available revenue. These adjustments will be  
4 determined after the January 2014 consensus revenue estimating  
5 conference.

6       Sec. 2002. It is the intent of the legislature that the  
7 department identify the amounts for normal retirement costs and  
8 legacy retirement costs for the fiscal year ending on September 30,  
9 2015 for the line items listed in part 1.