

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:

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PART 1

LINE-ITEM APPROPRIATIONS

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

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	3,593.6
Average population	893.0

Senate Bill No. 198 as amended May 16, 2013

1	GROSS APPROPRIATION.....	\$ <15,365,251,900
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers	10,056,100
5	ADJUSTED GROSS APPROPRIATION.....	\$ <15,355,195,800
6	Federal revenues:	
7	Total federal revenues.....	9,904,596,700
8	Social security act, temporary assistance for needy	
9	families	19,545,400
10	Special revenue funds:	
11	Total local revenues.....	253,450,100
12	Total private revenues.....	106,342,400
13	Merit award trust fund.....	<<136,934,700>>
14	Total other state restricted revenues.....	<2,089,583,500>
15	State general fund/general purpose.....	\$ <2,844,743,000>
16	State general fund/general purpose schedule:	
17	Ongoing state general fund/general	
18	purpose	<<2,837,667,900>>
19	One-time state general fund/general	
20	purpose	7,075,100
21	Sec. 102. DEPARTMENTWIDE ADMINISTRATION	
22	Full-time equated unclassified positions.....	6.0
23	Full-time equated classified positions.....	176.7
24	Director and other unclassified--6.0 FTE positions ...	\$ 707,000
25	Departmental administration and management--166.7	
26	FTE positions	25,069,900
27	Worker's compensation program.....	6,963,000

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1	Rent and building occupancy.....	9,791,300
2	Developmental disabilities council and	
3	projects--10.0 FTE positions	3,024,700
4	<<Human trafficking intervention services	100>>
4	GROSS APPROPRIATION.....	\$ <<45,556,000>>
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	15,196,600
8	Special revenue funds:	
9	Total private revenues.....	35,200
10	Total other state restricted revenues.....	792,700
11	State general fund/general purpose.....	\$ <<29,531,500>>
12	Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
13	AND SPECIAL PROJECTS	
14	Full-time equated classified positions..... 103.0	
15	Behavioral health program administration--102.0 FTE	
16	positions	\$ 18,059,500
17	Gambling addiction--1.0 FTE position.....	3,002,800
18	Protection and advocacy services support.....	194,400
19	Community residential and support services.....	992,100
20	Federal and other special projects.....	3,111,200
21	Family support subsidy.....	19,364,900
22	Housing and support services.....	<u>11,322,500</u>
23	GROSS APPROPRIATION.....	\$ 56,047,400
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	19,926,000
27	Social security act, temporary assistance for needy	

1	families	19,545,400
2	Special revenue funds:	
3	Total private revenues	200,000
4	Total other state restricted revenues	3,002,800
5	State general fund/general purpose	\$ 13,373,200
6	Sec. 104. BEHAVIORAL HEALTH SERVICES	
7	Full-time equated classified positions..... 9.5	
8	Medicaid mental health services	\$ 2,187,650,100
9	Community mental health non-Medicaid services	283,688,700
10	Medicaid adult benefits waiver	31,989,600
11	Mental health services for special populations	5,842,900
12	Medicaid substance abuse services	47,696,700
13	CMHSP, purchase of state services contracts	139,391,500
14	Civil service charges	1,499,300
15	Federal mental health block grant--2.5 FTE positions .	15,440,000
16	State disability assistance program substance abuse	
17	services	2,018,800
18	Community substance abuse prevention, education, and	
19	treatment programs	80,093,000
20	Children's waiver home care program	21,544,900
21	Nursing home PAS/ARR-OBRA--7.0 FTE positions	12,252,100
22	Children with serious emotional disturbance waiver ...	<u>12,651,000</u>
23	GROSS APPROPRIATION	\$ 2,841,758,600
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of human	
27	services	6,194,900

1	Federal revenues:	
2	Total federal revenues.....	1,619,363,200
3	Special revenue funds:	
4	Total local revenues.....	25,228,900
5	Total other state restricted revenues.....	22,276,700
6	State general fund/general purpose.....	\$ 1,168,694,900
7	Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC	
8	MENTAL HEALTH SERVICES	
9	Total average population	893.0
10	Full-time equated classified positions.....	2,130.9
11	Caro Regional Mental Health Center - psychiatric	
12	hospital - adult--461.3 FTE positions.....	\$ 56,149,600
13	Average population	185.0
14	Kalamazoo Psychiatric Hospital - adult--466.1 FTE	
15	positions	63,649,300
16	Average population	189.0
17	Walter P. Reuther Psychiatric Hospital -	
18	adult--420.8 FTE positions	54,587,000
19	Average population	234.0
20	Hawthorn Center - psychiatric hospital - children	
21	and adolescents--226.4 FTE positions.....	28,433,800
22	Average population	75.0
23	Center for forensic psychiatry--556.3 FTE positions..	71,187,800
24	Average population	210.0
25	Revenue recapture.....	750,000
26	IDEA, federal special education.....	120,000
27	Special maintenance.....	332,500

1	Purchase of medical services for residents of	
2	hospitals and centers	445,600
3	Gifts and bequests for patient living and treatment	
4	environment	<u>1,000,000</u>
5	GROSS APPROPRIATION.....	\$ 276,655,600
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	34,529,300
9	Special revenue funds:	
10	CMHSP, purchase of state services contracts.....	139,391,500
11	Other local revenues.....	19,163,800
12	Total private revenues.....	1,000,000
13	Total other state restricted revenues.....	16,733,800
14	State general fund/general purpose.....	\$ 65,837,200
15	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
16	Full-time equated classified positions..... 102.9	
17	Public health administration--7.3 FTE positions.....	\$ 1,549,500
18	Health and wellness initiatives--11.7 FTE positions..	7,190,200
19	Minority health grants and contracts--2.5 FTE	
20	positions	612,700
21	Vital records and health statistics--81.4 FTE	
22	positions	<u>9,870,600</u>
23	GROSS APPROPRIATION.....	\$ 19,223,000
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Interdepartmental grant from the department of human	
27	services	1,199,200

1	Federal revenues:	
2	Total federal revenues.....	4,224,400
3	Special revenue funds:	
4	Total other state restricted revenues.....	10,470,700
5	State general fund/general purpose.....	\$ 3,328,700
6	Sec. 107. HEALTH POLICY	
7	Full-time equated classified positions.....	87.8
8	Emergency medical services program--23.0 FTE positions	\$ 5,181,300
9	Health policy administration--24.1 FTE positions.....	4,377,600
10	Health innovation grants.....	100
11	Nurse education and research program--3.0 FTE	
12	positions.....	769,900
13	Certificate of need program administration--12.3 FTE	
14	positions.....	2,063,700
15	Rural health services--1.0 FTE position.....	1,531,500
16	Michigan essential health provider.....	2,491,300
17	Primary care services--1.4 FTE positions.....	<u>3,731,300</u>
18	GROSS APPROPRIATION.....	\$ 20,146,700
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	Interdepartmental grant from the department of	
22	licensing and regulatory affairs.....	2,066,400
23	Interdepartmental grant from the department of	
24	treasury, Michigan state hospital finance authority.	114,900
25	Federal revenues:	
26	Total federal revenues.....	7,164,000
27	Special revenue funds:	

1	Total private revenues.....	255,000
2	Total other state restricted revenues.....	5,830,500
3	State general fund/general purpose.....	\$ 4,715,900
4	Sec. 108. INFECTIOUS DISEASE CONTROL	
5	Full-time equated classified positions.....	49.5
6	AIDS prevention, testing, and care programs--15.7	
7	FTE positions	\$ 69,164,400
8	Immunization program--12.8 FTE positions.....	14,999,000
9	Pediatric AIDS prevention and control--1.0 FTE	
10	position	1,233,100
11	Sexually transmitted disease control program--20.0	
12	FTE positions	<u>6,213,800</u>
13	GROSS APPROPRIATION.....	\$ 91,610,300
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	42,783,000
17	Special revenue funds:	
18	Total private revenues.....	38,278,400
19	Total other state restricted revenues.....	7,696,700
20	State general fund/general purpose.....	\$ 2,852,200
21	Sec. 109. LABORATORY SERVICES	
22	Full-time equated classified positions.....	100.0
23	Laboratory services--100.0 FTE positions ..	\$ <u>18,167,000</u>
24	GROSS APPROPRIATION.....	\$ 18,167,000
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	Interdepartmental grant from the department of	

1	environmental quality	480,700
2	Federal revenues:	
3	Total federal revenues	2,271,300
4	Special revenue funds:	
5	Total other state restricted revenues	8,728,000
6	State general fund/general purpose	\$ 6,687,000
7	Sec. 110. EPIDEMIOLOGY	
8	Full-time equated classified positions..... 115.1	
9	AIDS surveillance and prevention program.....	\$ 2,254,100
10	Bioterrorism preparedness--55.0 FTE positions	35,466,400
11	Epidemiology administration--41.6 FTE positions	12,257,200
12	Healthy homes program--8.0 FTE positions	2,962,500
13	Newborn screening follow-up and treatment	
14	services--10.5 FTE positions	6,026,100
15	Tuberculosis control and prevention	<u>867,000</u>
16	GROSS APPROPRIATION.....	\$ 59,833,300
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues	50,165,300
20	Special revenue funds:	
21	Total private revenues	238,000
22	Total other state restricted revenues	7,416,800
23	State general fund/general purpose	\$ 2,013,200
24	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
25	Full-time equated classified positions..... 2.0	
26	Essential local public health services	\$ 37,386,300
27	Implementation of 1993 PA 133, MCL 333.17015	20,000

1	Local health services--2.0 FTE positions	533,300
2	Medicaid outreach cost reimbursement to local health	
3	departments	<u>9,000,000</u>
4	GROSS APPROPRIATION.....	\$ 46,939,600
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	9,533,300
8	Special revenue funds:	
9	Total local revenues.....	5,150,000
10	State general fund/general purpose.....	\$ 32,256,300
11	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
12	HEALTH PROMOTION	
13	Full-time equated classified positions..... 63.3	
14	Cancer prevention and control program--11.0 FTE	
15	positions	\$ 14,987,100
16	Chronic disease control and health promotion	
17	administration--29.4 FTE positions.....	6,273,100
18	Diabetes and kidney program--8.0 FTE positions	1,885,600
19	Injury control intervention project.....	200,100
20	Smoking prevention program--12.0 FTE positions	2,576,800
21	Violence prevention--2.9 FTE positions	<u>2,170,600</u>
22	GROSS APPROPRIATION.....	\$ 28,093,300
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	25,000,900
26	Special revenue funds:	
27	Total private revenues.....	500,000

1	Total other state restricted revenues		728,400
2	State general fund/general purpose	\$	1,864,000
3	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH		
4	SERVICES		
5	Full-time equated classified positions.....	49.6	
6	Childhood lead program--2.5 FTE positions	\$	1,243,200
7	Dental programs--3.0 FTE positions		1,643,900
8	Dental program for persons with developmental		
9	disabilities		151,000
10	Family, maternal, and children's health services		
11	administration--41.6 FTE positions.....		7,245,200
12	Family planning local agreements		9,085,700
13	Local MCH services		7,018,100
14	Pregnancy prevention program		602,100
15	Prenatal care outreach and service delivery support ..		9,701,500
16	Special projects--2.5 FTE positions		9,927,800
17	Sudden infant death syndrome program		<u>321,300</u>
18	GROSS APPROPRIATION	\$	46,939,800
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues		36,619,400
22	Special revenue funds:		
23	Total local revenues		75,000
24	Total private revenues		874,500
25	State general fund/general purpose	\$	9,370,900
26	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
27	NUTRITION PROGRAM		

1	Full-time equated classified positions.....	45.0	
2	Women, infants, and children program administration		
3	and special projects--45.0 FTE positions.....		\$ 17,832,600
4	Women, infants, and children program local		
5	agreements and food costs		<u>256,285,000</u>
6	GROSS APPROPRIATION.....		\$ 274,117,600
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues.....		213,039,700
10	Special revenue funds:		
11	Total private revenues.....		61,077,900
12	State general fund/general purpose.....		\$ 0
13	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
14	Full-time equated classified positions.....	46.8	
15	Children's special health care services		
16	administration--44.0 FTE positions.....		\$ 5,506,600
17	Bequests for care and services--2.8 FTE positions		1,524,100
18	Outreach and advocacy.....		5,510,000
19	Nonemergency medical transportation.....		1,505,900
20	Medical care and treatment.....		<u>97,557,700</u>
21	GROSS APPROPRIATION.....		\$ 111,604,300
22	Appropriated from:		
23	Federal revenues:		
24	Total federal revenues.....		44,039,500
25	Special revenue funds:		
26	Total private revenues.....		1,005,900
27	Total other state restricted revenues.....		3,854,600

1	State general fund/general purpose.....	\$	62,704,300
2	Sec. 116. CRIME VICTIM SERVICES COMMISSION		
3	Full-time equated classified positions.....	13.0	
4	Grants administration services--13.0 FTE positions ...	\$	1,899,200
5	Justice assistance grants.....		19,106,100
6	Crime victim rights services grants.....		<u>16,570,000</u>
7	GROSS APPROPRIATION.....	\$	37,575,300
8	Appropriated from:		
9	Federal revenues:		
10	Total federal revenues.....		23,494,800
11	Special revenue funds:		
12	Total other state restricted revenues.....		14,080,500
13	State general fund/general purpose.....	\$	0
14	Sec. 117. OFFICE OF SERVICES TO THE AGING		
15	Full-time equated classified positions.....	40.0	
16	Office of services to aging administration--40.0 FTE		
17	positions	\$	6,389,200
18	Community services.....		36,614,400
19	Nutrition services.....		36,744,100
20	Foster grandparent volunteer program.....		2,233,600
21	Retired and senior volunteer program.....		627,300
22	Senior companion volunteer program.....		1,604,400
23	Employment assistance.....		3,500,000
24	Respite care program.....		<u>5,868,700</u>
25	GROSS APPROPRIATION.....	\$	93,581,700
26	Appropriated from:		
27	Federal revenues:		

1	Total federal revenues.....	58,154,600
2	Special revenue funds:	
3	Total private revenues.....	677,500
4	Merit award trust fund.....	4,068,700
5	Total other state restricted revenues.....	1,800,000
6	State general fund/general purpose.....	\$ 28,880,900
7	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
8	Full-time equated classified positions.....	458.5
9	Medical services administration--434.5 FTE positions .	\$ 68,849,100
10	Facility inspection contract.....	132,800
11	MIChild administration.....	4,327,800
12	Electronic health record incentive program--24.0 FTE	
13	positions	<u>144,193,800</u>
14	GROSS APPROPRIATION.....	\$ 217,503,500
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	191,886,000
18	Special revenue funds:	
19	Total local revenues.....	105,900
20	Total private revenues.....	100,000
21	Total other state restricted revenues.....	330,000
22	State general fund/general purpose.....	\$ 25,081,600
23	Sec. 119. MEDICAL SERVICES	
24	Hospital services and therapy.....	\$ 1,244,519,700
25	Hospital disproportionate share payments.....	45,000,000
26	Physician services.....	465,599,800
27	Medicare premium payments.....	438,208,000

1	Pharmaceutical services.....	269,310,900
2	Home health services.....	3,783,700
3	Hospice services.....	102,974,400
4	Transportation.....	23,572,600
5	Auxiliary medical services.....	9,517,200
6	Dental services.....	194,890,600
7	Ambulance services.....	10,751,000
8	Long-term care services.....	1,756,486,200
9	Integrated care organizations.....	100
10	Medicaid home- and community-based services waiver...	299,895,900
11	Adult home help services.....	308,323,300
12	Personal care services.....	13,327,300
13	Program of all-inclusive care for the elderly.....	50,254,300
14	Autism services.....	38,000,000
15	Health plan services.....	4,742,683,300
16	MIChild program.....	69,744,400
17	Plan first family planning waiver.....	13,628,100
18	Medicaid adult benefits waiver.....	105,877,700
19	Special indigent care payments.....	95,738,800
20	Federal Medicare pharmaceutical program.....	196,140,500
21	Maternal and child health.....	20,279,500
22	Subtotal basic medical services program.....	10,518,507,300
23	School-based services.....	131,502,700
24	Special Medicaid reimbursement.....	337,217,600
25	Subtotal special medical services payments.....	<u>468,720,300</u>
26	GROSS APPROPRIATION.....	\$ 10,987,227,600
27	Appropriated from:	

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1	Federal revenues:	
2	Total federal revenues.....	7,443,249,500
3	Special revenue funds:	
4	Total local revenues.....	64,335,000
5	Total private revenues.....	2,100,000
6	Merit award trust fund.....	<<132,866,000>>
7	Total other state restricted revenues.....	<1,983,875,600>
8	State general fund/general purpose.....	\$<1,360,801,500>
9	Sec. 120. INFORMATION TECHNOLOGY	
10	Information technology services and projects.....	\$ 36,530,900
11	Michigan Medicaid information system.....	<u>30,201,100</u>
12	GROSS APPROPRIATION.....	\$ 66,732,000
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	45,091,700
16	Special revenue funds:	
17	Total other state restricted revenues.....	1,965,700
18	State general fund/general purpose.....	\$ 19,674,600
19	Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS	
20	Hospital services and therapy - graduate medical	
21	education	\$ 4,314,200
22	Mental health services for special populations.....	3,000,000
23	Michigan Medicaid information system.....	18,300,000
24	Primary care services--island clinics.....	325,000
25	Mental health innovation.....	<u>100</u>
26	GROSS APPROPRIATION.....	\$ 25,939,300
27	Appropriated from:	

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1 Federal revenues:

2	Total federal revenues.....		18,864,200
3	State general fund/general purpose.....	\$	7,075,100

4 PART 2
5 PROVISIONS CONCERNING APPROPRIATIONS
6 FOR FISCAL YEAR 2013-2014

7 **GENERAL SECTIONS**

8 Sec. 201. Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending from state resources
10 under part 1 for fiscal year 2013-2014 is <<\$5,071,261,200.00>> and
11 state spending from state resources to be paid to local units of
12 government for fiscal year 2013-2014 is \$1,235,720,300.00. The
13 itemized statement below identifies appropriations from which
14 spending to local units of government will occur:

15 DEPARTMENT OF COMMUNITY HEALTH

16 BEHAVIORAL HEALTH PROGRAM ADMINISTRATION

17	Community residential and support services.....	\$	451,500
18	Housing and support services.....		77,500

19 BEHAVIORAL HEALTH SERVICES

20	State disability assistance program substance abuse		
21	services	\$	2,018,000
22	Community substance abuse prevention, education, and		
23	treatment programs		12,769,200
24	Medicaid mental health services.....		708,534,800
25	Community mental health non-Medicaid services.....		283,688,700

1	Mental health services for special populations		8,842,900
2	Medicaid adult benefits waiver		10,774,100
3	Medicaid substance abuse services		16,065,200
4	Children's waiver home care program		5,871,900
5	Nursing home PAS/ARR-OBRA		2,721,700
6	HEALTH POLICY		
7	Primary care services	\$	88,900
8	INFECTIOUS DISEASE CONTROL		
9	AIDS prevention, testing, and care programs	\$	1,041,100
10	Sexually transmitted disease control program		174,500
11	LABORATORY SERVICES		
12	Laboratory services	\$	2,800
13	LOCAL HEALTH ADMINISTRATION AND GRANTS		
14	Implementation of 1993 PA 133, MCL 333.17015	\$	5,700
15	Essential local public health services		32,236,300
16	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
17	Cancer prevention and control program	\$	94,700
18	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
19	Prenatal care outreach and service delivery support ..	\$	2,100,000
20	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
21	Medical care and treatment	\$	585,300
22	Outreach and advocacy		1,250,800
23	CRIME VICTIM SERVICES COMMISSION		
24	Crime victim rights services grants	\$	6,180,200
25	OFFICE OF SERVICES TO THE AGING		
26	Community services	\$	12,229,300
27	Nutrition services		8,783,000

1	Foster grandparent volunteer program.....		536,400
2	Retired and senior volunteer program.....		147,300
3	Senior companion volunteer program.....		183,400
4	Respite care program.....		5,115,000
5	MEDICAL SERVICES		
6	Dental services.....	\$	1,364,200
7	Long-term care services.....		80,798,400
8	Transportation.....		3,583,000
9	Medicaid adult benefits waiver.....		10,481,900
10	Hospital services and therapy.....		2,489,000
11	Physician services.....		<u>14,433,600</u>
12	TOTAL OF PAYMENTS TO LOCAL UNITS		
13	OF GOVERNMENT.....	\$	1,235,720,300

14 Sec. 202. The appropriations authorized under this act are
15 subject to the management and budget act, 1984 PA 431, MCL 18.1101
16 to 18.1594.

17 Sec. 203. As used in this act:

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

19 (b) "CMHSP" means a community mental health services program
20 as that term is defined in section 100a of the mental health code,
21 1974 PA 258, MCL 330.1100a.

22 (c) "Current fiscal year" means the fiscal year ending
23 September 30, 2013.

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

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

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

27 (g) "EPSDT" means early and periodic screening, diagnosis, and

1 treatment.

2 (h) "Federal health care reform legislation" means the patient
3 protection and affordable care act, Public Law 111-148, and the
4 health care and education reconciliation act of 2010, Public Law
5 111-152.

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

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

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

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

15 (m) "HEDIS" means healthcare effectiveness data and
16 information set.

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

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

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

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

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

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

27 (t) "PIHP" means a specialty prepaid inpatient health plan for

1 Medicaid mental health services, services to individuals with
2 developmental disabilities, and substance abuse services. Specialty
3 prepaid inpatient health plans are described in section 232b of the
4 mental health code, 1974 PA 258, MCL 330.1232b.

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

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

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

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

13 Sec. 206. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$200,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item
17 in this act under section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$40,000,000.00 for state
21 restricted contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this act under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

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

1 until they have been transferred to another line item in this act
2 under section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

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

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

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

26 Sec. 211. If the revenue collected by the department from fees
27 and collections exceeds the amount appropriated in part 1, the

1 revenue may be carried forward with the approval of the state
2 budget director into the subsequent fiscal year. The revenue
3 carried forward under this section shall be used as the first
4 source of funds in the subsequent fiscal year.

5 Sec. 212. (1) On or before February 1 of the current fiscal
6 year, the department shall report to the house and senate
7 appropriations subcommittees on community health, the house and
8 senate fiscal agencies, and the state budget director on the
9 detailed name and amounts of federal, restricted, private, and
10 local sources of revenue that support the appropriations in each of
11 the line items in part 1.

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

18 Sec. 213. The state departments, agencies, and commissions
19 receiving tobacco tax funds and healthy Michigan funds from part 1
20 shall report by April 1 of the current fiscal year to the senate
21 and house appropriations committees, the senate and house fiscal
22 agencies, and the state budget director on the following:

23 (a) Detailed spending plan by appropriation line item
24 including description of programs and a summary of organizations
25 receiving these funds.

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

1 (c) Eligibility criteria for program participation and maximum
2 benefit levels where applicable.

3 (d) Outcome measures used to evaluate programs, including
4 measures of the effectiveness of these programs in improving the
5 health of Michigan residents.

6 (e) Any other information considered necessary by the house of
7 representatives or senate appropriations committees or the state
8 budget director.

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

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

20 Sec. 218. The department shall include the following in its
21 annual list of proposed basic health services as required in part
22 23 of the public health code, 1978 PA 368, MCL 333.2301 to
23 333.2321:

24 (a) Immunizations.

25 (b) Communicable disease control.

26 (c) Sexually transmitted disease control.

27 (d) Tuberculosis control.

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

2 (f) Screening newborns for the conditions listed in section
3 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
4 recommended by the newborn screening quality assurance advisory
5 committee created under section 5430 of the public health code,
6 1978 PA 368, MCL 333.5430.

7 (g) Community health annex of the Michigan emergency
8 management plan.

9 (h) Prenatal care.

10 Sec. 219. (1) The department may contract with the Michigan
11 public health institute for the design and implementation of
12 projects and for other public health-related activities prescribed
13 in section 2611 of the public health code, 1978 PA 368, MCL
14 333.2611. The department may develop a master agreement with the
15 institute to carry out these purposes for up to a 3-year period.
16 The department shall report to the house and senate appropriations
17 subcommittees on community health, the house and senate fiscal
18 agencies, and the state budget director on or before January 1 of
19 the current fiscal year all of the following:

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

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

24 (c) The expected project duration.

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

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

7 Sec. 223. The department may establish and collect fees for
8 publications, videos and related materials, conferences, and
9 workshops. Collected fees shall be used to offset expenditures to
10 pay for printing and mailing costs of the publications, videos and
11 related materials, and costs of the workshops and conferences. The
12 department shall not collect fees under this section that exceed
13 the cost of the expenditures.

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

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

26 (3) The department shall inform the senate and house
27 appropriations subcommittees on community health and the senate and

1 house fiscal agencies of any alterations or adjustments made to the
2 published plan for integrated care for individuals who are dual
3 Medicare/Medicaid eligibles when the final version of the plan has
4 been submitted to the federal centers for Medicare and Medicaid
5 services or the federal department of health and human services.

6 (4) At least 30 days before implementation of the plan for
7 integrated care for individuals who are dual Medicare/Medicaid
8 eligibles, the department shall submit the plan to the legislature
9 for review.

10 Sec. 265. The department and agencies receiving appropriations
11 in part 1 shall receive and retain copies of all reports funded
12 from appropriations in part 1. Federal and state guidelines for
13 short-term and long-term retention of records shall be followed.
14 The department may electronically retain copies of reports unless
15 otherwise required by federal and state guidelines.

16 Sec. 266. (1) The departments and agencies receiving
17 appropriations in part 1 shall prepare a report on out-of-state
18 travel expenses not later than January 1 of each year. The travel
19 report shall be a listing of all travel by classified and
20 unclassified employees outside this state in the immediately
21 preceding fiscal year that was funded in whole or in part with
22 funds appropriated in the department's budget. The report shall be
23 submitted to the house and senate standing committees on
24 appropriations, the house and senate fiscal agencies, and the state
25 budget director. The report shall include the following
26 information:

27 (a) The dates of each travel occurrence.

1 (b) The total transportation and related costs of each travel
2 occurrence, including the proportion funded with state general
3 fund/general purpose revenues, the proportion funded with state
4 restricted revenues, the proportion funded with federal revenues,
5 and the proportion funded with other revenues.

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

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 of the current fiscal
27 year, the department shall prepare and transmit a report that

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

9 Sec. 292. (1) The department shall 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 (2) The department may develop and operate its own website to
21 provide this information or may reference the state's central
22 transparency website as the source for this information.

23 Sec. 296. Within 14 days after the release of the executive
24 budget recommendation, the department shall provide the state
25 budget director, the senate and house appropriations chairs, the
26 senate and house appropriations subcommittees on community health,
27 respectively, and the senate and house fiscal agencies with an

1 annual report on estimated state restricted fund balances, state
2 restricted fund projected revenues, and state restricted fund
3 expenditures for the fiscal years ending September 30, 2013 and
4 September 30, 2014.

5 **BEHAVIORAL HEALTH SERVICES**

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

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

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

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

23 (d) Individualized plans of service that are sufficient to
24 meet the needs of individuals, including those discharged from
25 psychiatric hospitals or centers, and that ensure the full range of
26 recipient needs is addressed through the CMHSP's or PIHP's program

1 or through assistance with locating and obtaining services to meet
2 these needs.

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

6 (f) A system of continuous quality improvement.

7 (g) A system to monitor and evaluate the mental health
8 services provided.

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

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

25 (2) The department shall immediately report to the senate and
26 house appropriations subcommittees on community health, the senate
27 and house fiscal agencies, and the state budget director if either

1 of the following occurs:

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

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

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

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

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

23 (3) The department shall require an annual report from the
24 independent organizations that receive mental health services for
25 special populations funding. The annual report, due January 1 of
26 the current fiscal year, shall include specific information on
27 services and programs provided, the client base to which the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (2) The department shall reimburse all licensed substance
26 abuse programs eligible to participate in the program at a rate
27 equivalent to that paid by the department of human services to

1 adult foster care providers. Programs accredited by department-
2 approved accrediting organizations shall be reimbursed at the
3 personal care rate, while all other eligible programs shall be
4 reimbursed at the domiciliary care rate.

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

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

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

16 Sec. 408. (1) By April 1 of the current fiscal year, the
17 department shall collect data in order to analyze trends in
18 substance abuse prevention, treatment, and recovery programs and
19 determining effectiveness relative to positive outcomes of invested
20 dollars.

21 (2) The department shall take all reasonable actions to ensure
22 that the required data reported are complete and consistent across
23 the state.

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

1 eligibility for public assistance.

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

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

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

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

1 and year-to-date summary of eligibles and expenditures for the
2 Medicaid managed mental health care program.

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

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

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

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

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

26 Sec. 435. A county required under the provisions of the mental
27 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide

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

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

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

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

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

1 greater need for the services.

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

7 Sec. 494. (1) In order to avoid duplication of efforts, the
8 department shall utilize applicable national accreditation review
9 criteria to determine compliance with corresponding state
10 requirements for CMHSPs, PIHPs, or subcontracting provider agencies
11 that have been reviewed and accredited by a national accrediting
12 entity for behavioral health care services.

13 (2) Upon a coordinated submission by the CMHSPs, PIHPs, or
14 subcontracting provider agencies, a listing of program requirements
15 that are part of the state program review criteria but are not
16 reviewed by an applicable national accrediting entity, the
17 department shall review the listing and provide a recommendation to
18 the house and senate appropriations subcommittees on community
19 health, the house and senate fiscal agencies, and the state budget
20 office as to whether or not state program review should continue.
21 The CMHSPs, PIHPs, or subcontracting agencies may request the
22 department to convene a workgroup to fulfill this section.

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

26 (4) As used in this section, "national accrediting entity"
27 means the joint commission on accreditation of healthcare

1 organizations, the commission on accreditation of rehabilitation
2 facilities, the council of accreditation, or other appropriate
3 entity, as approved by the department.

4 (5) By July 1 of the current fiscal year, the department shall
5 provide a progress report to the house and senate appropriations
6 subcommittees on community health, the house and senate fiscal
7 agencies, and the state budget office on implementation of this
8 section.

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

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

16 Sec. 499. The department shall continue efforts to use mental
17 health funding to address the mental health needs of deaf and hard-
18 of-hearing persons. The department shall report to the senate and
19 house appropriations subcommittees on community health on the
20 results of this process by March 1 of the current fiscal year.

21 Sec. 501. From the funds appropriated in part 1 for mental
22 health services for special populations, the department shall
23 allocate \$100.00 to establish a pilot project in several CMHSPs to
24 provide post-traumatic stress disorder services to current or
25 former service members.

26 Sec. 502. The department shall work to develop an outreach
27 program on fetal alcohol syndrome services. The department shall

1 report to the senate and house subcommittees on community health by
2 April 1 of the current fiscal year on efforts to prevent and combat
3 fetal alcohol syndrome as well as deficiencies in efforts to reduce
4 the incidence of fetal alcohol syndrome.

5 Sec. 503. (1) The department shall formally consult with
6 CMHSPs from across this state when developing policies and
7 procedures that will impact PIHPs or CMHSPs. The department shall
8 consult with all of the following under this subsection:

9 (a) Representatives of CMHSPs designated by the Michigan
10 association of community mental health boards or by the boards of
11 directors of the PIHPs.

12 (b) Two or more CMHSP representatives from each multi-
13 community mental health PIHP region.

14 (c) Representatives of PIHPs.

15 (2) The department and representatives identified in
16 subsection (1) shall address a range of issues, including, but not
17 limited to, the following:

18 (a) Clinical initiatives.

19 (b) Finance.

20 (c) Information services.

21 (d) Quality improvement.

22 (e) Compliance issues.

23 (f) Changes in state reporting requirements.

24 (g) Changes in funding or state payment mechanics.

25 (h) Changes or amendments being considered for the Medicaid as
26 well as non-Medicaid contracts.

27 (i) Changes or additions to special projects for or changes to

Senate Bill No. 198 as amended May 16, 2013

1 the Medicaid benefit or service array.

2 <<Sec. 504. (1) The department shall create a workgroup to
3 make recommendations to achieve more uniformity in capitation
payments made to the PIHPs.

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

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

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

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

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

19 Sec. 605. (1) The department shall not implement any closures
20 or consolidations of state hospitals, centers, or agencies until
21 CMHSPs or PIHPs have programs and services in place for those
22 individuals currently in those facilities and a plan for service
23 provision for those individuals who would have been admitted to
24 those facilities.

25 (2) All closures or consolidations are dependent upon adequate
26 department-approved CMHSP and PIHP plans that include a discharge

1 and aftercare plan for each individual currently in the facility. A
2 discharge and aftercare plan shall address the individual's housing
3 needs. A homeless shelter or similar temporary shelter arrangements
4 are inadequate to meet the individual's housing needs.

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

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

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

24 Sec. 608. Effective October 1, 2012, the department, in
25 consultation with the department of technology, management, and
26 budget, may maintain a bid process to identify 1 or more private
27 contractors to provide food service and custodial services for the

1 administrative areas at any state hospital identified by the
2 department as capable of generating savings through the outsourcing
3 of such services.

4 **PUBLIC HEALTH ADMINISTRATION**

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

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

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

20 (c) The type of data specific to a particular body of water
21 that would be needed to modify a current fish consumption advisory,
22 including the data quality criteria that are used to determine if
23 data are suitable for use in the assessment and exclusions to
24 bodies of data and the justifications for such exclusions.

25 (d) Information on the ways stakeholder input is incorporated
26 into the fish consumption advisory process prior to an advisory

1 being issued.

2 (e) Information on how advisory analyses are documented,
3 including how uncertainty analyses are conducted and reported, with
4 information as to whether these evaluations are publicly available
5 and, if not available, an explanation of why any such evaluations
6 are not publicly available.

7 Sec. 651. The department shall work with the Michigan health
8 endowment fund corporation established pursuant to section 653 of
9 the nonprofit health care corporation reform act, 1980 PA 350, MCL
10 550.1653, to explore ways to expand health and wellness programs,
11 in particular efforts to serve those with diabetes and kidney
12 disease.

13 Sec. 652. From the funds appropriated in part 1 for health and
14 wellness programs, \$100.00 shall be allocated to support the
15 exemplary physical fitness curriculum.

16 Sec. 653. From the funds appropriated in part 1 for health and
17 wellness programs, \$100.00 shall be allocated to support efforts to
18 combat Alzheimer's disease.

19 Sec. 655. From the funds appropriated in part 1 for health and
20 wellness programs, \$100.00 shall be allocated to support a center
21 for integrative medicine project in Kent County.

22 HEALTH POLICY

23 Sec. 704. The department shall continue to contract with
24 grantees supported through the appropriation in part 1 for the
25 emergency medical services program to ensure that a sufficient
26 number of qualified emergency medical services personnel exist to

1 serve rural areas of the state.

2 Sec. 709. (1) The funds appropriated in part 1 for the
3 Michigan essential health care provider program may also provide
4 loan repayment for dentists that fit the criteria established by
5 part 27 of the public health code, 1978 PA 368, MCL 333.2701 to
6 333.2727.

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

12 Sec. 712. From the funds appropriated in part 1 for primary
13 care services, \$250,000.00 shall be allocated to free health
14 clinics operating in the state. The department shall distribute the
15 funds equally to each free health clinic. For the purpose of this
16 appropriation, "free health clinics" means nonprofit organizations
17 that use volunteer health professionals to provide care to
18 uninsured individuals.

19 Sec. 713. The department shall continue support of
20 multicultural agencies that provide primary care services from the
21 funds appropriated in part 1.

22 Sec. 715. The department shall evaluate options for
23 incentivizing students attending medical schools in this state to
24 meet their primary care residency requirements in this state and
25 ultimately, for some period of time, to remain in this state and
26 serve as primary care physicians.

27 Sec. 716. (1) The department is encouraged to create and

1 implement a pilot program limited to counties with a population of
2 less than 100,000 to incentivize students attending medical schools
3 in Michigan through a loan repayment program or other approaches
4 for committing to provide medical services in rural counties with a
5 medically underserved population. The program shall be limited to
6 those students or individuals performing primary care or specialty
7 services as identified by the department.

8 (2) By no later than September 30 of the current fiscal year,
9 the department shall prepare a report and submit it to the senate
10 and house appropriations subcommittees on community health, the
11 senate and house fiscal agencies, and the state budget director.
12 The department shall evaluate the effectiveness of the pilot
13 program, identify potential changes to improve the program, and
14 make recommendations for statewide implementation in its report
15 under this subsection.

16 **INFECTIOUS DISEASE CONTROL**

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

22 **EPIDEMIOLOGY**

23 Sec. 851. (1) From the funds appropriated in part 1 for the
24 healthy homes program, \$100.00 shall be allocated to expand lead
25 abatement efforts.

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

4 **LOCAL HEALTH ADMINISTRATION AND GRANTS**

5 Sec. 901. The amount appropriated in part 1 for implementation
6 of the 1993 additions of or amendments to sections 9161, 16221,
7 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
8 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
9 333.17515, shall be used to reimburse local health departments for
10 costs incurred related to implementation of section 17015(18) of
11 the public health code, 1978 PA 368, MCL 333.17015.

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

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

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

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

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

13 Sec. 905. From the funds appropriated in part 1 for essential
14 local public health services, the department shall increase funding
15 to local public health departments by \$200.00.

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

17 Sec. 1005. From the funds appropriated in part 1 for the
18 injury control intervention project, \$100.00 shall be allocated to
19 provide services to those with traumatic brain injuries.

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

21 Sec. 1103. By January 3 of the current fiscal year the
22 department shall annually issue to the legislature, and to the
23 public on the Internet, a report providing estimated public funds
24 administered by the department for family planning, sexually
25 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 family
10 planning annual report. An agency not in compliance with the
11 indicators shall not receive supplemental or reallocated funds.

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

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

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

26 Sec. 1119. From the funds appropriated in part 1 for family
27 planning local agreements or pregnancy prevention programs, no

1 state funds shall be used to encourage or support abortion
2 services.

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

10 (a) The department of education.

11 (b) The department of community health.

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

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

16 (e) The department of human services.

17 (f) The department of state police.

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

1 Sec. 1136. From the funds appropriated in part 1 for prenatal
2 care outreach and service delivery support, \$1,000,000.00 shall be
3 allocated for a real alternatives 1 pregnancy and parenting support
4 services program as a pilot project. The department shall establish
5 a fee-for-service contract with 1 or more qualified agencies to
6 provide free counseling, support, and referral services to eligible
7 women during pregnancy through 12 months after birth. As
8 appropriate, the goals for client outcomes shall include an
9 increase of counseling support, childbirth choice, and adoption
10 knowledge and an improvement in parenting skills and knowledge of
11 reproductive health. The department shall provide for counselor
12 training, client educational material, program marketing, and
13 annual provider site monitoring.

14 Sec. 1137. From the funds appropriated in part 1 for prenatal
15 care outreach and service delivery support, not less than
16 \$600,000.00 shall be allocated for evidence-based programs to
17 reduce infant mortality. The funds shall be used for enhanced
18 support and education to nursing teams and for client recruitment
19 in areas designated as underserved for obstetrical and
20 gynecological services. The funds shall also be used for strategic
21 planning to expand and sustain the program and for marketing and
22 communications of the program to raise awareness, engage
23 stakeholders, and recruit nurses.

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

27 Sec. 1139. From the funds appropriated in part 1 for dental

1 programs, \$100.00 shall be allocated to support an expansion of
2 dental clinic services.

3 Sec. 1140. From the funds appropriated in part 1 for special
4 projects, the department shall make the following allocations:

5 (a) \$1,000,000.00 to the Eastern Michigan University autism
6 center.

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

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

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

13 CHILDREN'S SPECIAL HEALTH CARE SERVICES

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

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

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

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

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

23 Sec. 1204. By October 1 of the current fiscal year, the
24 department shall report to the senate and house appropriations
25 committees on community health and the senate and house fiscal
26 agencies on its plan for enrolling Medicaid-eligible children's

1 special health care services recipients in the Medicaid health
2 plans. The report shall include information on which Medicaid
3 health plans are participating, the methods used to assure
4 continuity of care and continuity of ongoing relationships with
5 providers, and projected savings from the implementation of the
6 proposal.

7 Sec. 1205. From the funds appropriated in part 1 for medical
8 care and treatment, the department is authorized to spend up to
9 \$500,000.00 for the continued development and expansion of
10 telemedicine capacity to allow families with children in the
11 children's special health care services program to access specialty
12 providers more readily and in a more timely manner.

13 **CRIME VICTIM SERVICES COMMISSION**

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

20 **OFFICE OF SERVICES TO THE AGING**

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

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

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

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

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

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

11 Sec. 1417. The department shall provide to the senate and
12 house appropriations subcommittees on community health, senate and
13 house fiscal agencies, and state budget director a report by March
14 30 of the current fiscal year that contains all of the following:

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

17 (b) Detail expenditure by each area agency on aging by
18 individual program and administration including both state-funded
19 resources and locally-funded resources.

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

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

1 **MEDICAL SERVICES ADMINISTRATION**

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

8 (a) The purpose of the project to be carried forward is to
9 implement the Medicaid electronic health record program that
10 provides financial incentive payments to Medicaid health care
11 providers to encourage the adoption and meaningful use of
12 electronic health records to improve quality, increase efficiency,
13 and promote safety.

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

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

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

20 Sec. 1502. From the funds appropriated in part 1 for the
21 medical services administration, the department shall spend
22 \$300,000.00 plus any associated federal match to develop an all
23 payer claims database.

24 **MEDICAL SERVICES**

25 Sec. 1601. The cost of remedial services incurred by residents

1 of licensed adult foster care homes and licensed homes for the aged
2 shall be used in determining financial eligibility for the
3 medically needy. Remedial services include basic self-care and
4 rehabilitation training for a resident.

5 Sec. 1603. (1) The department may establish a program for
6 individuals to purchase medical coverage at a rate determined by
7 the department.

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

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

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

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

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

25 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
26 condition is pregnancy, shall immediately be presumed to be
27 eligible for Medicaid coverage unless the preponderance of evidence

1 in her application indicates otherwise. The applicant who is
2 qualified as described in this subsection shall be allowed to
3 select or remain with the Medicaid participating obstetrician of
4 her choice.

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

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

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

1 pregnancy-related services.

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

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

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

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

25 (2) Notwithstanding subsection (1), medical services
26 reimbursement for hospital services provided to dual
27 Medicare/medical services recipients with Medicare part B coverage

1 only shall equal, when combined with payments for Medicare and
2 other third-party resources, if any, those amounts established for
3 medical services-only patients, including capital payments.

4 Sec. 1620. (1) For fee-for-service recipients who do not
5 reside in nursing homes, the pharmaceutical dispensing fee shall be
6 \$2.75 or the pharmacy's usual or customary cash charge, whichever
7 is less. For nursing home residents, the pharmaceutical dispensing
8 fee shall be \$3.00 or the pharmacy's usual or customary cash
9 charge, whichever is less.

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

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

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

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

27 Sec. 1630. (1) Medicaid coverage for adult dental and

1 podiatric services shall continue at not less than the level in
2 effect on October 1, 2002, except that reasonable utilization
3 limitations may be adopted in order to prevent excess utilization.

4 (2) Medicaid coverage for adult chiropractic and vision
5 services shall continue at not less than the level in effect on
6 October 1, 2002, except that reasonable utilization limitations may
7 be adopted in order to prevent excess utilization.

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

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

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

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

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

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

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

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

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

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

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

12 Sec. 1659. The following sections of this act are the only
13 ones that shall apply to the following Medicaid managed care
14 programs, including the comprehensive plan, MIChoice long-term care
15 plan, and the mental health, substance abuse, and developmentally
16 disabled services program: 404, 411, 418, 428, 474, 494, 1607,
17 1657, 1662, 1689, 1699, 1740, 1756, 1764, 1815, 1816, 1820, 1835,
18 1850, 1863, 1880, 1881, and 1882.

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (8) The department shall assure that an external quality

1 review of each MICHild contractor, as described in subsection (5),
2 is performed, which analyzes and evaluates the aggregated
3 information on quality, timeliness, and access to health care
4 services that the contractor furnished to MICHild beneficiaries.

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

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

9 Sec. 1673. The department may establish premiums for MICHild
10 eligible individuals in families with income above 150% of the
11 federal poverty level. The monthly premiums shall not be less than
12 \$10.00 or exceed \$15.00 for a family.

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

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

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

27 (4) The department is authorized to use civil monetary penalty

1 funds to conduct a survey evaluating consumer satisfaction and the
2 quality of care at nursing homes. Factors can include, but are not
3 limited to, the level of satisfaction of nursing home residents,
4 their families, and employees. The department may use an
5 independent contractor to conduct the survey.

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

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

15 Sec. 1689. (1) Within 60 days of the end of each fiscal year,
16 the department shall provide a report to the senate and house
17 appropriations subcommittees on community health and the senate and
18 house fiscal agencies that details existing and future allocations
19 for the home- and community-based services waiver program by
20 regions as well as the associated expenditures. The report shall
21 include information regarding the net cost savings from moving
22 individuals from a nursing home to the home- and community-based
23 services waiver program, the number of individuals transitioned
24 from nursing homes to the home- and community-based services waiver
25 program, the number of individuals on waiting lists by region for
26 the program, and the amount of funds transferred during the fiscal
27 year. The report shall also include the number of Medicaid

1 individuals served and the number of days of care for the home- and
2 community-based services waiver program and in nursing homes.

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

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

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

26 (a) Finance activities within the medical services
27 administration related to this project.

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

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

6 (3) The department is authorized to increase the appropriation
7 of federal money in part 1 for medical services school-based
8 services payments such that reimbursements to participating school
9 districts can be made as described in subsection (1).

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

16 Sec. 1694. (1) The department shall distribute \$1,122,300.00
17 for poison control services to an academic health care system that
18 includes a children's hospital that has a high indigent care
19 volume.

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

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

1 GME and DSH is made to qualifying hospitals for services to
2 Medicaid clients, hospitals shall not include GME costs or DSH
3 payments in their contracts with HMOs.

4 (2) The department shall allocate \$45,000,000.00 in DSH
5 funding using the distribution methodology used in fiscal year
6 2003-2004.

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

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

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

24 Sec. 1741. The department shall continue to provide nursing
25 homes the opportunity to receive interim payments upon their
26 request. The department may disapprove requests or discontinue
27 interim payments that result in financial risk to this state. The

1 department shall make reasonable efforts to ensure that the interim
2 payments are as similar in amount to expected cost-settled
3 payments.

4 Sec. 1756. The department's plan for beneficiary monitoring
5 within each Medicaid health plan shall attempt to make rate
6 adjustments consistent with provider rate adjustments authorized
7 under the Medicaid fee-for-service program.

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

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

23 Sec. 1770. In conjunction with the consultation requirements
24 of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and
25 except as otherwise provided in this section, the department shall
26 attempt to make the effective date for a proposed Medicaid policy
27 bulletin or adjustment to the Medicaid provider manual on October

1 1, January 1, April 1, or July 1 after the end of the consultation
2 period. The department may provide an effective date for a proposed
3 Medicaid policy bulletin or adjustment to the Medicaid provider
4 manual other than provided for in this section if necessary to be
5 in compliance with federal or state law, regulations, or rules or
6 with an executive order of the governor.

7 Sec. 1775. If the state's application for a waiver to
8 implement managed care for dual Medicare/Medicaid eligibles is
9 approved by the federal government, the department shall provide
10 quarterly reports to the senate and house appropriations
11 subcommittees on community health and the senate and house fiscal
12 agencies on progress in implementing the waiver.

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

20 Sec. 1793. The department shall consider the development of a
21 pilot project that focuses on the prevention of preventable
22 hospitalizations from nursing homes.

23 Sec. 1804. The department, in cooperation with the department
24 of human services and the department of military and veterans
25 affairs, shall work with the federal public assistance reporting
26 information system to identify Medicaid recipients who are veterans
27 and who may be eligible for federal veterans health care benefits

1 or other benefits.

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

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

11 Sec. 1820. (1) In order to avoid duplication of efforts, the
12 department shall utilize applicable national accreditation review
13 criteria to determine compliance with corresponding state
14 requirements for Medicaid health plans that have been reviewed and
15 accredited by a national accrediting entity for health care
16 services.

17 (2) Upon submission by Medicaid health plans of a listing of
18 program requirements that are part of the state program review
19 criteria but are not reviewed by an applicable national accrediting
20 entity, the department shall review the listing and provide a
21 recommendation to the house and senate appropriations subcommittees
22 on community health, the house and senate fiscal agencies, and the
23 state budget office as to whether or not state program review
24 should continue. The Medicaid health plans may request the
25 department to convene a workgroup to fulfill this section.

26 (3) The department shall continue to comply with state and
27 federal law and shall not initiate an action that negatively

1 impacts beneficiary safety.

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

6 (5) By July 1 of the current fiscal year, the department shall
7 provide a progress report to the house and senate appropriations
8 subcommittees on community health, the house and senate fiscal
9 agencies, and the state budget office on implementation of this
10 section.

11 Sec. 1822. The department, the department's contracted
12 Medicaid pharmacy benefit manager, and all Medicaid health plans
13 shall implement coverage for a mental health prescription drug
14 within 30 days of that drug's approval by the department's pharmacy
15 and therapeutics committee.

16 Sec. 1832. (1) The department shall continue efforts to
17 standardize billing formats, referral forms, electronic
18 credentialing, primary source verification, electronic billing and
19 attachments, claims status, eligibility verification, and reporting
20 of accepted and rejected encounter records received in the
21 department data warehouse.

22 (2) The department shall convene a workgroup on
23 standardization for the Medicaid program. The workgroup shall
24 include representatives from medical provider organizations,
25 Medicaid HMOs, the Michigan association of health plans, and the
26 department. The department shall report to the legislature on the
27 findings of the workgroup by April 1 of the current fiscal year.

1 (3) The department shall provide a report by April 1 of the
2 current fiscal year to the senate and house appropriations
3 subcommittees on community health and the senate and house fiscal
4 agencies detailing the percentage of claims for Medicaid
5 reimbursement provided to the department that were initially
6 rejected in the first quarter of fiscal year 2013-2014 and the
7 percentage of Medicaid health plan encounters rejected during the
8 same period.

9 Sec. 1835. The department shall develop and implement
10 processes to report rejected and accepted encounters to Medicaid
11 health plans. Medicaid health plans shall be permitted to report
12 additional medical records obtained during the medical record
13 audits to the encounter warehouse consistent with Medicare
14 guidelines. The department shall further enhance encounter data
15 reporting processes and program rules that make each health plan's
16 encounter data as complete as possible, provide a fair measure of
17 acuity for each health plan's enrolled population for risk
18 adjustment purposes, and minimize health plan administrative
19 expenses.

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

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

1 actual cost of delivering outpatient services to Medicaid
2 recipients.

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

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

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

14 (a) Identify physician shortages by practice and geographic
15 area.

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

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

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

24 Sec. 1847. The department shall meet with the Michigan
25 association of ambulance services to discuss the possible structure
26 of an ambulance quality assurance assessment program.

27 Sec. 1850. The department may allow Medicaid health plans to

1 assist with the redetermination process through outreach activities
2 to ensure continuation of Medicaid eligibility and enrollment in
3 managed care. This may include mailings, telephone contact, or
4 face-to-face contact with beneficiaries enrolled in the individual
5 Medicaid health plan. Health plans may offer assistance in
6 completing paperwork for beneficiaries enrolled in their plan.

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

17 Sec. 1855. From the funds appropriated in part 1 for health
18 plan services, the department shall implement a revenue-neutral
19 financially risk-averse Medicaid patient logistics optimization
20 solution for the support of emergency room redirection for
21 nonemergent patients. Such alternatives may be coordinated with the
22 Medicaid health plans and the Michigan association of health plans.

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

25 Sec. 1858. Medicaid services shall include treatment for
26 autism spectrum disorders as defined in the federally approved
27 Medicaid state plan. Such alternatives may be coordinated with the

1 Medicaid health plans and the Michigan association of health plans.

2 Sec. 1861. Nonemergency medical transportation services
3 offered to Medicaid recipients may be competitively bid and may
4 take into consideration a minimum of 2 bids by qualified vendors, 1
5 of which must be a public transportation agency where such agencies
6 offer service. For the purpose of this section, "qualified vendor"
7 means a transportation provider that either meets or exceeds the
8 quality and safety standards of public transportation agencies,
9 including, but not limited to, ongoing training requirements for
10 motor vehicle operators including training on passenger safety,
11 passenger assistance, and assistive devices, including wheelchair
12 lifts, tie-down equipment, and child safety seats. In addition, a
13 qualified vendor shall be able to document that all drivers have
14 complied with all state licensing regulations and that they have
15 passed a criminal background check and successfully passed a drug
16 screening test.

17 Sec. 1862. From the funds appropriated in part 1, the
18 department shall continue the 20% reimbursement rate increase for
19 Medicaid obstetrical services.

20 Sec. 1863. For the purposes of the next rebidding of contracts
21 with Medicaid health plans, the department shall study the
22 possibility of excluding health plans that score in the lowest
23 quartile on quality indicators from eligibility to bid.

24 Sec. 1865. Upon federal approval of the department's proposal
25 for integrated care for individuals who are dual Medicare/Medicaid
26 eligibles, the department shall provide the senate and house
27 appropriations subcommittees on community health and the senate and

1 house fiscal agencies its plan and organizational chart for
2 administering and providing oversight of this proposal. The plan
3 shall include information on how the department intends to organize
4 staff in an integrated manner to ensure that key components of the
5 proposal are implemented effectively.

6 Sec. 1866. (1) From the funds appropriated in part 1 for
7 hospital services and therapy, \$12,000,000.00 in general
8 fund/general purpose revenue and any associated federal match shall
9 be awarded to hospitals that meet criteria established by the
10 department for services to low-income rural residents.

11 (2) No hospital or hospital system shall receive more than
12 5.0% of the total funding referenced in subsection (1).

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

17 Sec. 1867. (1) In addition to the appropriations in part 1,
18 the department may receive and spend revenue from the Michigan-
19 Illinois alliance Medicaid management information systems project
20 with the approval of the state budget director. Upon approval, the
21 state budget director shall authorize the allotment of these funds
22 and, if appropriate, identify and unallot any associated general
23 fund appropriations that can be reduced due to revenues received
24 from this initiative.

25 (2) The department shall prepare a quarterly report to the
26 senate and house community health appropriations subcommittees, the
27 senate and house fiscal agencies, and the state budget director

1 identifying any revenue received and spent under the authority in
2 this section.

3 Sec. 1869. From the funds appropriated in part 1 for health
4 plan services, \$100.00 shall be allocated to support a school-based
5 clinic in Kalamazoo County.

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

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

18 Sec. 1871. The department shall work with the board of
19 pharmacy to develop and publish a list of tamper-resistant
20 formulated controlled substances, including schedules II and III,
21 for which information has been submitted by the manufacturer of
22 such a product. Inclusion of a drug on the registry shall not
23 require that a drug bear a labeling claim with respect to reduction
24 of tampering, abuse, or abuse potential at the time of listing.
25 Such a listing may also include a determination by the department
26 as to which listed controlled substance incorporating tamper-
27 resistant formulation technology may provide substantially similar

1 tamper-resistant properties, based solely upon studies submitted by
2 the drug manufacturer. The department shall distribute this
3 registry once a year to all pharmacies authorized to dispense
4 controlled substances and to all dispensing prescribers authorized
5 to dispense controlled substances.

6 Sec. 1872. The department shall consider creating a pilot
7 program to prevent or reduce the costs associated with lower
8 extremity diabetic care, ulcerations, and amputations. If such a
9 pilot program is created, the department shall work with the
10 Michigan podiatric medical association to improve the quality of
11 lower extremity diabetic care.

12 Sec. 1873. The department shall establish a workgroup to
13 discuss new ways to distribute hospital funding through the
14 Michigan access to care initiative, the hospital rate adjustor
15 payments, and the quality assurance assessment program. The
16 department shall report to the senate and house subcommittees on
17 community health on the findings of the workgroup by April 1 of the
18 current fiscal year.

19 Sec. 1874. The department shall explore ways to work with
20 private providers to develop fraud management solutions to reduce
21 fraud, waste, and abuse in this state's Medicaid program.

22 Sec. 1875. The department may seek to expand home- and
23 community-based services and seek enhanced match funding pursuant
24 to federal law.

25 Sec. 1876. From the funds appropriated in part 1 for personal
26 care services, \$100.00 shall be allocated to increase the personal
27 care services payment rate.

1 Sec. 1877. The department shall explore requesting a federal
2 waiver to implement alternative design and funding models for the
3 Medicaid program.

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

15 Sec. 1879. In any program of integrated service for persons
16 dually enrolled in Medicaid and Medicare that the department
17 negotiates with the federal government, the department shall seek
18 to use the Medicare Part D benefit for prescription drug coverage,
19 and shall seek not to institute any deviations from existing
20 federal law, rules, and policies pertaining to the Medicare Part D
21 benefit.

22 Sec. 1880. The department shall establish the contract
23 performance standards for Medicaid health plans reasonably in
24 advance of the application of those standards. The determination of
25 performance shall be based on recognized concepts such as 1-year
26 continuous enrollment and the HEDIS audited data.

27 Sec. 1881. The department shall create a default eligibility

1 and enrollment determination for newborns so that newborns are
2 assigned to the same Medicaid health plan as the mother at the time
3 of birth.

4 Sec. 1882. For the purposes of Medicaid third-party
5 collections by Medicaid health plans, each contracting Medicaid
6 health plan is considered an agent of the department in order to
7 access other carrier data that are otherwise provided to the
8 department.

9 Sec. 1883. For the purposes of more effectively managing
10 inpatient care for Medicaid health plans and Medicaid fee-for-
11 service, the department shall consider developing an appropriate
12 policy and rate for observation stays.

13 Sec. 1884. (1) By April 1 of the current fiscal year, the
14 department shall establish and implement a bid process to identify
15 a Michigan vendor to provide benefit administration for durable
16 medical equipment, prosthetics, orthotics, and supplies for those
17 Medicaid clients enrolled in fee-for-service Medicaid. Any current
18 contracts with the state covering Medicaid and Medicare programs
19 are exempt from this process. The vendor shall be a licensed third
20 party administrator in good standing, with experience in the
21 administration of durable medical equipment, prosthetics,
22 orthotics, and supplies benefits, and shall at a minimum provide
23 utilization management, claims and benefit administration, and
24 provider network management.

25 (2) The department shall not award a contract for the services
26 described in subsection (1) unless the contract will lead to at
27 least a 10% savings in durable medical equipment, prosthetics,

1 orthotics, and supplies costs.

2 Sec. 1885. (1) The department shall implement a study to
3 examine a statistically significant sample of Medicaid claims
4 information to help estimate the impact of gestational diabetes and
5 reduce the impact of the condition on the Medicaid program. The
6 study shall include all of the following elements:

7 (a) An estimate of the average cost of a case of gestational
8 diabetes in comparison to the cost of a noncomplicated pregnancy
9 and the cost of pregnancy for a woman with diabetes.

10 (b) An estimate of the percentage and number of pregnant women
11 screened for gestational diabetes per established medical criteria.

12 (c) An estimate of the percentage and number of pregnant women
13 diagnosed with gestational diabetes in the Medicaid program each
14 year.

15 (2) The department shall submit a report to the senate and
16 house appropriations subcommittees on community health by September
17 30 of the current fiscal year. The report shall include all of the
18 following information:

19 (a) The information gathered in the study described in
20 subsection (1).

21 (b) Steps taken and proposed to increase the screening rate
22 for gestational diabetes within Medicaid, to reduce the number of
23 Medicaid-eligible women with undiagnosed gestational diabetes
24 giving birth, to increase the number of pregnant women with
25 gestational diabetes receiving appropriate medical care, and to
26 improve the health of unborn and newborn children of women
27 diagnosed with gestational diabetes.

- 1 legacy retirement costs for the fiscal year ending on September 30,
- 2 2015 for the line items listed in part 1.