

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 988

A bill to amend 2000 PA 489, entitled  
"Michigan trust fund act,"  
by amending sections 2 and 6 (MCL 12.252 and 12.256), section 2 as  
amended by 2016 PA 193, and by adding section 11.

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

1       Sec. 2. As used in this act:

2       (a) "Community district education trust fund" means the  
3 community district education trust fund created in section 12.

4       **(B) "HEALTH SERVICES FUND" MEANS THE HEALTH SERVICES FUND**  
5 **CREATED IN SECTION 11.**

6       (C) ~~(b)~~—"Medicaid benefits trust fund" means the Michigan  
7 Medicaid benefits trust fund established in section 5.

8       (D) ~~(e)~~—"Medicaid program" means a program for medical

1 assistance established under title XIX of the social security act,  
2 42 USC 1396 to 1396w-5.

3 (E) ~~(d)~~—"Medicaid special financing payments" means the  
4 Medicaid special adjustor payments each year authorized in the  
5 department of community health appropriations act.

6 (F) ~~(e)~~—"Michigan merit award trust fund" means the Michigan  
7 merit award trust fund established in section 9.

8 (G) ~~(f)~~—"Tobacco settlement revenue" means money received by  
9 this state that is attributable to the master settlement agreement  
10 incorporated into a consent decree and final judgment entered into  
11 on December 7, 1998 in Kelly Ex Rel. Michigan v Philip Morris  
12 Incorporated, et al., Ingham County circuit court, docket no. 96-  
13 84281CZ, including any rights to receive money attributable to the  
14 master settlement agreement that has been sold by this state.

15 (H) ~~(g)~~—"21st century jobs trust fund" means the 21st century  
16 jobs trust fund established in section 7.

17 Sec. 6. The legislature shall authorize the expenditure of  
18 ~~medicaid~~**MEDICAID** benefits trust fund revenues through an  
19 appropriation act only for 1 or more of the following purposes:

20 (a) To finance a shortfall in the ~~medicaid~~**MEDICAID** program  
21 due to a disallowance of ~~medicaid~~**MEDICAID** payments from the  
22 federal government.

23 (b) To offset any decline in revenue caused by federal  
24 ~~medicaid~~**MEDICAID** policy changes.

25 (C) **FOR ANY OTHER PURPOSE AS PROVIDED BY LAW.**

26 **SEC. 11. (1) THE HEALTH SERVICES FUND IS CREATED WITHIN THE**  
27 **STATE TREASURY.**

1           (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM  
2 ANY SOURCE FOR DEPOSIT INTO THE HEALTH SERVICES FUND. THE STATE  
3 TREASURER SHALL DIRECT THE INVESTMENT OF THE HEALTH SERVICES FUND.  
4 THE STATE TREASURER SHALL CREDIT TO THE HEALTH SERVICES FUND  
5 INTEREST AND EARNINGS FROM HEALTH SERVICES FUND INVESTMENTS.

6           (3) MONEY IN THE HEALTH SERVICES FUND AT THE CLOSE OF THE  
7 FISCAL YEAR SHALL REMAIN IN THE HEALTH SERVICES FUND AND SHALL NOT  
8 LAPSE TO THE GENERAL FUND.

9           (4) THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF  
10 THE HEALTH SERVICES FUND FOR AUDITING PURPOSES.

11           (5) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE  
12 HEALTH SERVICES FUND, UPON APPROPRIATION, ONLY AS PROVIDED IN THIS  
13 SECTION. ON THE FIRST DAY OF EACH MONTH, THE STATE TREASURER SHALL  
14 MAKE A DISTRIBUTION FROM THE HEALTH SERVICES FUND IN THE FOLLOWING  
15 ORDER OF PRIORITY:

16           (A) PER STATE FISCAL YEAR, NOT LESS THAN \$2,000,000.00 TO THE  
17 FUND DESCRIBED IN SECTION 5402 OF THE NATURAL RESOURCES AND  
18 ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.5402. THE FUNDS  
19 DISTRIBUTED SUBJECT TO THIS SUBDIVISION SHALL BE USED EXCLUSIVELY  
20 FOR ASSISTING QUALIFIED WATER SUPPLIERS IN SATISFYING THE  
21 REQUIREMENTS OF THE FEDERAL SAFE DRINKING WATER ACT DESCRIBED IN  
22 SECTION 5402 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION  
23 ACT, 1994 PA 451, MCL 324.5402, AND FOR THE DISTRIBUTION OF LOW-  
24 INTEREST LOANS AND GRANTS TO COMMUNITY AND NONCOMMUNITY QUALIFIED  
25 WATER SUPPLIERS.

26           (B) PER STATE FISCAL YEAR, NOT LESS THAN \$100,000,000.00 SHALL  
27 BE DISTRIBUTED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR

1 COMMUNITY MENTAL HEALTH NON-MEDICAID SERVICES. NO LESS THAN 5% OF  
2 THE FUNDS DISTRIBUTED SUBJECT TO THIS SUBDIVISION SHALL BE USED TO  
3 SUPPORT STATEWIDE ADVERSE CHILDHOOD EXPERIENCE INTERVENTION  
4 SERVICES.

5 (C) PER STATE FISCAL YEAR, NOT LESS THAN \$30,000,000.00 SHALL  
6 BE DISTRIBUTED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR  
7 LOCAL PUBLIC HEALTH FOR NON-MEDICAID SERVICES.

8 (D) PER STATE FISCAL YEAR, EXCEPT AS OTHERWISE PROVIDED IN  
9 THIS SUBDIVISION, NOT LESS THAN \$204,000,000.00 SHALL BE  
10 DISTRIBUTED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE  
11 FEDERAL MEDICARE PHARMACEUTICAL PROGRAM. FOR THE FISCAL YEAR 2016-  
12 2017 ONLY, NOT LESS THAN \$150,000,000.00 SHALL BE DISTRIBUTED TO  
13 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE FEDERAL  
14 MEDICARE PHARMACEUTICAL PROGRAM.

15 (E) AFTER THE DISTRIBUTIONS DESCRIBED IN SUBDIVISIONS (A) TO  
16 (D), AN AMOUNT THAT EQUALS THE REMAINING FUNDS AVAILABLE SHALL BE  
17 DISTRIBUTED TO THE DEPARTMENT OF CORRECTIONS FOR CLINICAL AND  
18 MENTAL HEALTH SERVICES.

19 (6) MONEY DEPOSITED INTO THE HEALTH SERVICES FUND PURSUANT TO  
20 THIS SECTION SHALL NOT BE USED FOR ANY MEDICAID BENEFITS PROVIDED  
21 UNDER THE MEDICAL ASSISTANCE PROGRAM CREATED UNDER SECTIONS 105 AND  
22 105D OF THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.105 AND  
23 400.105D, OR FOR THE MEDICAL SERVICES ADMINISTRATION WITHIN THE  
24 DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ADMINISTRATION OF  
25 THE MEDICAL ASSISTANCE PROGRAM CREATED UNDER SECTIONS 105 AND 105D  
26 OF THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.105 AND 400.105D.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 98th Legislature are  
2 enacted into law:

3 (a) Senate Bill No. 987.

4 (b) Senate Bill No. 989.

5 (c) Senate Bill No. 990.